

# BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION



FEBRUARY 1953

## PR

*A Handy Kit of  
Public Relations  
Ideas*

(page 37)

The New  
Direction of  
Monetary Policy

(page 53)

▶  
THE PRESIDENT OF  
THE UNITED STATES  
(pages 3, 55)  
▶

**HAZARDS OF BANKING**  
*Yesterday and Today*

Based on information from the criminal files  
of Pinkerton's National Detective Agency, Inc.

## THE FIRST GREAT TRAIN ROBBERY

The wood-burning locomotive of the Jeffersonville express ground to a stop beside the water tank of the Marshfield fueling station. A group of sombre figures, lurking behind the rows of stacked cordwood, suddenly came to life.

Covering the engine and express car with drawn revolvers, the masked men went methodically about their work. The conductor sprang down from one of the passenger cars, firing his revolver with reckless courage. A withering fusillade of shots brought him down.

Frank Reno, the leader of the gang, hopped into the engine cab, brutally beat the defiant engineer and tossed him out. Quickly, engine and express car were uncoupled from the rest of the train and with the tall robber at the throttle, headed up the track.

As they roared through the night, the rest of the gang demolished the locked express car doors with crowbars and hammers. Frank Reno stopped the engine within a mile of his hideout and supervised the distribution of

the booty. Twenty minutes later, the robbers had melted into the darkness with \$97,000 in currency and bonds consigned to New York.

Thus, the notorious Reno gang inaugurated a new era in American crime by successfully staging the first great train robbery.

\* \* \*

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# BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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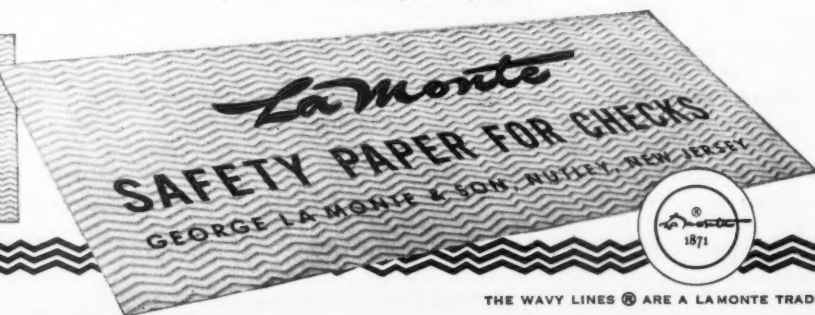


## ***I'm sure I paid that bill last month***

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# Just a Minute

## Our New Cover

THIS is the second month of BANKING's new cover format—and we hope you like it.

First thing that strikes you, probably, is the red, white and blue color scheme. Then there's the panel at the right, listing a few of the articles.

We plan to continue this arrangement of our front window. It's the result of much study and many suggestions by the staff in New York and Chicago, including LYSLE P. HAWKINS, art director of the A.B.A. Advertising Department.

## The Inauguration

ON January 20 DWIGHT D. EISENHOWER put his hand on an old Bible and took the oath as President of the United States.

The date was just after BANKING's usual deadline, but the printer was

cooperative and held the presses so we could bring you four pages of pictures taken in Washington that day. The photographs are mostly of bankers present in the capital for the inauguration—shots you didn't get in your newspapers or on your television screen.

## Public Relations

THAT'S the subject of BANKING's Special Report for February.

It starts with "A Bank News Roundtable" wherein eight financial and business editors and writers discuss practical questions that bear on a bank's P.R. Here's a rare opportunity to get from working newsmen their views and suggestions on bank contacts with the press.

Then there's an article by FRANK M. TOTTEN on bank public relations for youth. Frank, who's chairman of the American Bankers Association's



"I'd sure hate to see the houses some of our customers must keep!"

Public Relations Council and vice-president of New York's Chase National Bank, is particularly well known for his extracurricular work with young people and his insight into their problems and attitudes. In this article he outlines a number of ways in which banks are reaching youth, and emphasizes the importance of these projects and the purpose behind them.

The Report's third feature, "Here Are Some Good P.R. Ideas," presents a few public relations activities that have worked. Constructive, continuous projects, rather than stunts, are stressed.



## BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

### THIS MONTH'S COVER

The portrait on this month's cover is that of President Eisenhower, whose recent appointments and immediate problems are discussed by Lawrence Stafford beginning on page 55

## The Staff

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**Messrs. Humphrey, Burgess,  
Folsom and Dodge**

THE appointment of these men to high positions in the Eisenhower Administration "portend a new approach to the nation's monetary problems," says E. SHERMAN ADAMS in his **BANKING** article this month.

DR. ADAMS, who has charge of the A.B.A.'s recently established Department of Monetary Policy, writes on "The New Direction of Monetary Policy." Studying past statements of the four men, he put together a picture of the goals toward which the team will work. He finds that the quadrumvirate "will strive to put the Government's financial house in order and to do it in such a way as to contribute to economic stability and growth."

He foresees new trends in fiscal policy, debt management, and credit policy, although "actual changes will probably be gradual."

**How Not to Write a Letter**

A BANK in a large city sends us a copy of a letter received by a customer who had brought it in for "translation."

"It occurred to us," says our correspondent, "that you might wish to use it as an excellent example of how a letter should *not* be written—even to the title under the signature line!" Here's the text:

Gentlemen:

Your letter as of December 26th, received this morning in regards to the check of \$400.00 which we returned on December 15th, marked no account, the reason this check was returned marked no account, was because it was not signed right as you

(CONTINUED ON PAGE 6)

"Okay, Miss Sharp . . . I'll get you a noiseless typewriter!"



# AN INDUSTRIAL INVESTMENT

*is only as sound as the markets  
the company has developed*

A survey of the Credit Policy Commission of the American Bankers Association reflects a "general feeling of optimism and confidence" for the year ahead, but indicates that "**Competition will be tremendously increased.**" Many industries which have expanded production capacities in recent years will be forced to cultivate and sell new markets.

This points up the need for immediate and long-range market planning and hard selling. Remember, product acceptance among buyers cannot be established overnight, and unless a company has an adequate and continuing market for its products or services, it cannot make a satisfactory profit for its stockholders.

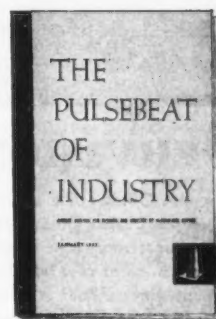
Consistent, well-directed and properly executed business paper advertising can be a strong and effective influence in building product recognition, breaking down buying resistance, expanding and developing new markets. In fact, business magazine advertising can

perform these marketing and sales functions faster and at far lower cost than any other method.

THAT'S WHY WE SUGGEST: *If you have a financial interest or responsibility in a company, always check to see that the company's management is using adequate business magazine advertising to protect and expand its market position.*

★ ★ ★

The 1953 Edition of McGraw-Hill's "Pulsebeat of Industry" is just off the press. This digest for top executives is written by the editors of McGraw-Hill's business and industrial publications. It discusses current trends and the outlook for industrial markets, products and services in the fields their publications serve. We will be happy to send you a copy without cost or obligation. Address your request to Company Promotion Department.



McGRAW-HILL PUBLISHING COMPANY, Inc.



330 WEST 42nd STREET, NEW YORK 36, N. Y.



HEADQUARTERS FOR BUSINESS INFORMATION

February 1953

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(CONTINUED FROM PAGE 4)

should have had — Inc., which was not on the check at the time it was presented here or we could have returned it marked insufficient funds, as we had a check of \$500.00 drawn by —, Inc., on the [bank], which had been returned to us marked no account, so we had this check returned for the second time. At this time the check was in for collection therefore the check would have been drawn on uncollected funds which we could have marked and returned same.

We hope this will give you the information you desire.

Very truly yours,  
Ex-Vice-president & Cashier

### Postscript to Christmas

AT least two of BANKING's literary friends, ROD MACLEAN and W. A. PHILPOTT, JR., can be depended upon to mark the turn of each year with a little book of their own making. The 1952-53 yearend was no exception.

This time PHIL—or "phil," as he writes it—produced another pamphlet "Alas! No Log Cabins," reprinting his essays on this and that which appear in the Texas Bankers Association Record. (He's secretary of the TBA.) The dedication is "to all those bewildered, beleaguered, befuddled, benighted Texans (including the author) who dared hope for a Democratic defeat, but who could

not foresee a Republican victory in Texas at the recent presidential election." The essays are supplemented with verses. This is Phil's fifth similar publication.

Author MACLEAN's contribution was another assortment of his sprightly rhymes which have appeared in various magazines. "The Good Old Daze" is ROD's sixth annual limited edition booklet which has gone to his friends with the best wishes of himself and family. He's assistant vice-president of the Union Bank & Trust Company, Los Angeles, and second vice-president of the Financial Advertisers Association.

The First National Bank of Leesburg, Florida, distributed a reprint of a local newspaper advertisement, "Christmas Gifts," a poem by MRS. BELLE S. HAMILTON, author of BANKING's "Around Our Bank" column. The verses recalled some of "the gifts that no money can buy."

### A Thought for Youth

FROM W. A. WILSON of Superior, Wisconsin:

"The other day we were talking about an old couple that has had a hard road to travel, and this came to me:

*"The savings of youth build roads that make easy traveling for old age."*

(CONTINUED ON PAGE 11)

"I thought we weren't going to say anything about that salary increase I got!"



CORKA



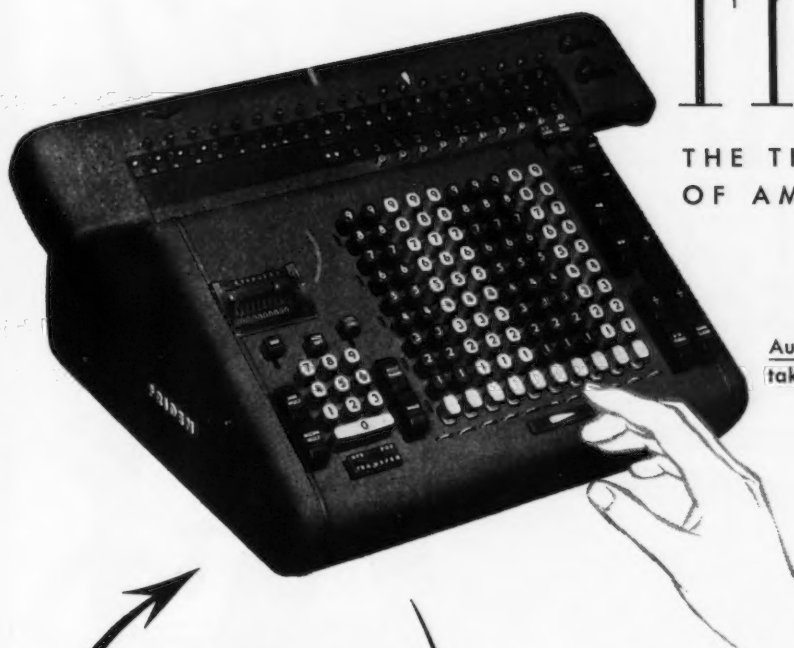
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by the

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# THE MAN WHO LEARNED



## AMERICAN MUTUAL

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*Savings from regular substantial dividends!*

GROUP ACCIDENT AND HEALTH-HOSPITALIZATION . . . . WORKMEN'S

# TO CARE FOR 60 WOMEN

By Mr. Friendly

There are 60 women in Frisby's life.  
(Sixty-one, if you count his wife!)  
He cares for them in splendid fashion,  
Which, let us add, involves no passion!

He chooses their clothes, their hats, their shoes,  
Something *most* women would greet with boos!  
Why do they like 'em—why do they warem?  
Who are these girls in Frisby's harem?

They're employees. They work and toil  
And he protects the woiking goil.  
With safer jobs and safer dress,\*  
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(Poetic license No. 3658)

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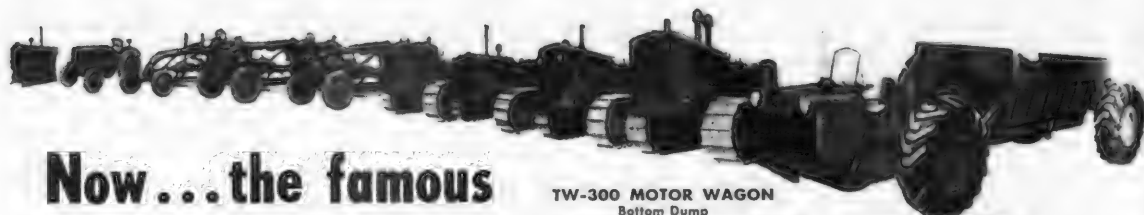
Here are just a few of the carefully-detailed chapters: *Women—A Key to Safety in Industry and at Home; Recommended Standards for the Employment of Women; Selection and Placement; Special Facilities and Equipment for the Employment of Women; Safety for Women; The Importance of Records in the Plant Medical Program.*

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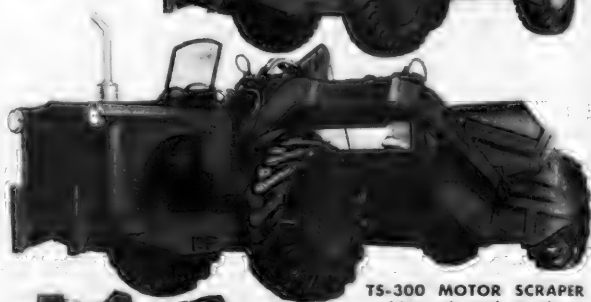
joins the



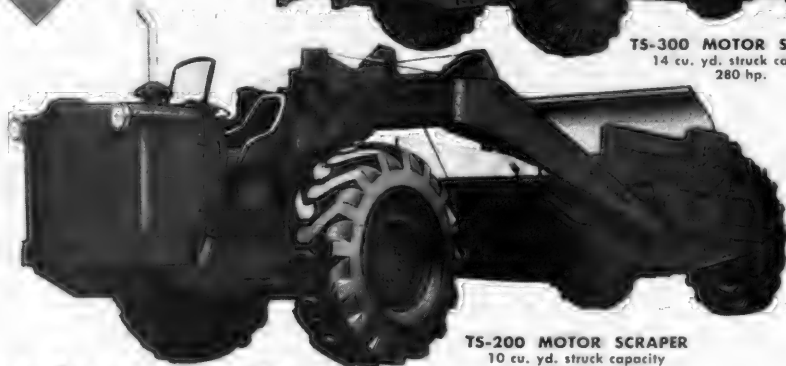
line

**TW-300 MOTOR WAGON**  
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280 hp.

**TR-200 MOTOR WAGON**  
Rear Dump  
11 cu. yd. struck capacity  
176 hp.



**TS-300 MOTOR SCRAPER**  
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280 hp.



**TS-200 MOTOR SCRAPER**  
10 cu. yd. struck capacity  
176 hp.

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Visit your A-C dealer soon, he'll be glad to talk over his equipment with you and give you all the facts about the New-est, Finest Line on Earth — why it is a sound investment for the future.

# ALLIS-CHALMERS

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"I couldn't buy anything so expensive if we weren't already in debt so much that it didn't matter"

(CONTINUED FROM PAGE 6)

Our correspondent wished that "every youngster of sixth grade up would get a chance to read and memorize" that meaty sentence.

Here's our contribution to the publicity.

### Hard Luck Story

A SOUTHERN bank sends us the following letter, received by its installment loan department:

Dear Sir

Just a few line to let you know why I have not been making my payment it becase the weather been too bad and I been sick in bed beside if the weather don't get to Bad I will be in wk after next with a payment. I will close, rember if it is the Lord will Ill be in with a Payment.

Close and wishes you a Merry Xmas and a very happy New Year  
Thank a lots

Your Friend

Please send me a 1953 calendar

### Lew Gordon's "30"

LEWIS F. GORDON, who retired on December 31 after 21 years with The Citizens and Southern National Bank of Atlanta, said his formal goodbye to friends in a note which he headed "30"—the traditional sign-off mark of the newspaper man.

LEW, vice-president in charge of public relations at his bank, expressed gratitude for his friendships at the bank and elsewhere. The years, he said, had brought intimate contact with banking people across the nation, "from whom I learned so much" and received "honors far beyond my just deserts."

"In these and many other ways," he continued, "the 'End of the Story' leaves me with a debt I can never repay. To that extent the story is not ended, because, insofar as the years ahead will permit, I shall be working on that debt. In the interim, I can only express the hope and wish that life will be as generous to you as you have made it for me."

MR. GORDON, a former president of the Financial Public Relations Association, and a former member of the A.B.A. Public Relations Council, will be a consultant in that field.

### "We Have Here Everything . . ."

AN 11-year-old refugee girl got first prize, a \$50 savings account, in an essay contest sponsored by the Union Square Savings Bank of New York City and the Save the Children Federation. The subject was "Why We Should Help Children Overseas."

"I came from Europe three years

## Office managers Secretaries and Bosses!



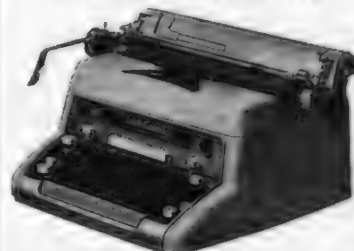
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ago," wrote the winner, SARIANA WYSHYWANY. "I know how the children live there. They do not have such nice life like we children have in this country. We have here everything, warm clothes, pretty toys and many sweet things which the children in Europe do not have.

"I'll never forget that day when I received a Christmas gift from American children. My eyes glanced from happiness. I was very grateful to the American children for their great help.

"During the last war I lost my home. In this country I found a new home and a new life. I am happy that I am able to help other children that still can't have a better life as I do in America. I will help those poor children with all my heart."

RUDOLPH HALLEY, president of the New York City Council, presented the awards at the bank.

### Bank Opening, Country Style

A YANKEE farmer, riding on a wagon drawn by his two white horses, was the first depositor when the Colonial Trust Company of Waterbury, Connecticut, opened its branch office in nearby Woodbury.

JEROME GARLOCK, the customer, was greeted by the bank's president, WINTHROP W. SPENCER, when he drove up to the drive-in teller's window.

The branch is in a reconstructed homestead, next to the postoffice. It serves Woodbury (population 2,300) and several neighboring villages. Several hundred Western Connecticut folks inspected the bank on opening day.

JOHN L. COOLEY

President Spencer greets customer Garlock at the Waterbury bank's Woodbury branch



### BY THE WAY

*If you make a better mouse trap, people who need money for various purposes will beat a path to your door.*

A person has to work hard to make an easy living.

*In our civilization man comes first, then the machine. Next, the ambulance.*

Public opinion is a great force for good when it's on that side.

*Many nations are having a hard time meeting the instalments on their machine guns and tanks.*

If you think the laws of this country aren't enforced, try parking your car next to a meter without putting in a penny.

*Economic problem: What would happen to the United States if it stopped producing more cheaply and easily the things the rest of the world wants from us free?*

The corner drug store is one of the few places where you can still get home cooking.

*The course of true love isn't smooth, but the detours are worse.*

What the nations of the world need is a good loud speaker for the still small voice.

*What this country needs is a Reno that will divorce politics from crime.*

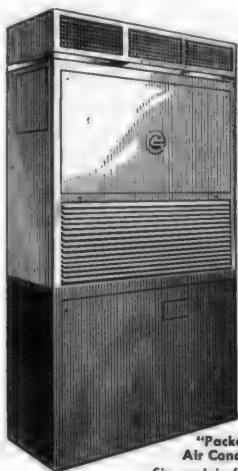


## IMPROVE EMPLOYEE EFFICIENCY... INCREASE CUSTOMER GOODWILL!

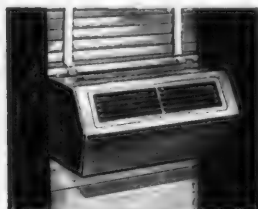
Customers prefer to conduct their business in cool, refreshing comfort. In addition, a clean, stimulating atmosphere increases customer goodwill. That's why Chrysler Airtemp Air Conditioning is a *must* for your bank.

You'll find, too, that Air Conditioning increases the efficiency of staff members, as well as adding to institutional dignity.

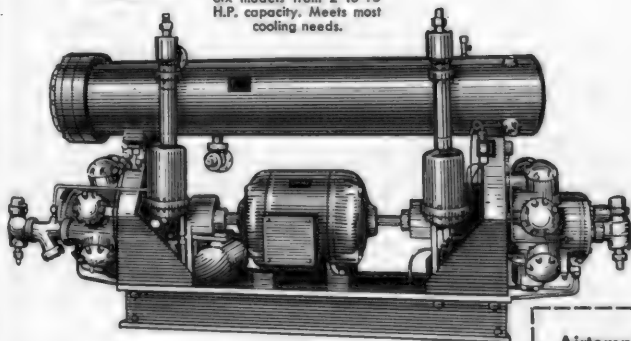
With Chrysler Airtemp, you're getting the best in Air Conditioning... whether it's an individual Room Cooler, a "Packaged" unit for a complete area, or a radial unit for the entire building. The Chrysler Airtemp name is your assurance of precision engineering for long, trouble-free life. Get all the facts today!



"Packaged"  
Air Conditioners  
Six models from 2 to 15  
H.P. capacity. Meets most  
cooling needs.



Room Air Conditioner  
Fits in window, cools, filters, circulates  
fresh outside air; expels stale room air.

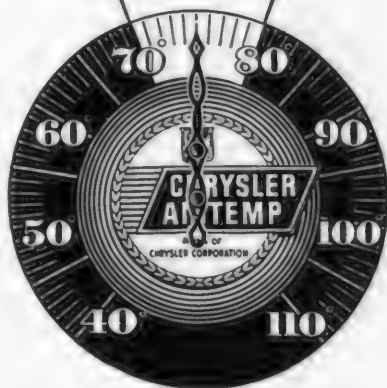


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The efficient "heart" of larger air conditioning systems.

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(he's in the yellow pages) or write today.



# Comfort Zone



# Chrysler Airtemp

**HEATING • AIR CONDITIONING**  
for HOMES, BUSINESS, INDUSTRY

Airtemp Division, Chrysler Corporation, Dayton 1, Ohio

Airtemp Division, Chrysler Corporation  
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City  Zone  State



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It was the first time he had ever asked for a loan. After stating his case and telling the loaning officer that, other than his job in the office of a manufacturing concern, he had no assets, he awaited the verdict anxiously.

"In order to make you this loan," said the officer, "we will have to have an endorsement on it. Is there anyone you know that would endorse it for you?"

"Well, would my company's endorsement be all right?" asked the young man. The company was a responsible and reputable one, so the officer replied that its endorsement would be entirely satisfactory. The applicant signed the note that was prepared, and took it off with him for endorsement.

A short time later he returned, note in hand, to the officer's desk.

"So you got the endorsement all right, did you?" smiled the officer.

"Oh, yes, no trouble at all," said the customer, handing over the note he had signed. Turning it over, the banker saw a familiar-looking stamp.



"For Deposit Only," it read, "Pay to the First National Bank for Credit of Smith and Doakes."

"Didn't even have to bother anybody about it," said the would-be borrower, happily. "They always have me endorse the deposits, anyway, so the stamp was right on my desk. I just endorsed the note right

away with the firm's name, and brought it back. Now, where do I go to get my money?"

BELLE S. HAMILTON

SOME years ago my husband was ill in the hospital. We had two children who prevented my working, and suddenly our money was gone!

At the hospital I smiled bravely at my husband, said "of course I'll go to the bank," and walked out quaking in my boots.

Downtown I passed the bank twice, glancing hastily through the wide expanse of glass at the executives snug and secure behind their flat-topped desks, and could not find courage to enter. I crossed the street to a big department store and went to the ladies' lounge where I washed my cold, clean hands and rearranged my tidy hair, peering at my reflection with frightened eyes.

"Don't be afraid, silly," I said, "They can't tell you anything worse than 'No!'"

With that I picked up my bag, and marched back across the street.

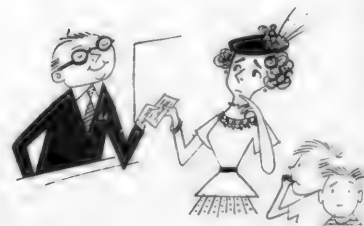
"I'm Mrs. L. A. Morrow," I said. "My husband is in the hospital and we need money. We'll pay you when the crops come in."

"Certainly, Mrs. Morrow," I could have kissed that kindly man. "How much do you need?"

And the time we were in California—a long way from our native Texas—to join my sailor husband, and I had no more cash, only a checkbook, and all the signs said "No Checks Cashed." But again an understanding man looked at me—this time the two boys were with me—and scrawled an "O.K." on a sizable check.

I joked about it afterwards and said that the banker didn't want me setting up a combination nursery and laundry in the bank foyer, but I know the truth: When you have a real and valid need a wise banker will aid you, whether that need be money or advice. Bankers are softies, bless 'em!

LOUISE NAGLE MORROW





# GROWING

## STATEMENT OF CONDITION

At the Close of Business December 31, 1952

### ASSETS

Cash on Hand and Due from Banks . . . . .	\$211,595,895.41
United States Securities Owned . . . . .	108,448,400.27
State, County and Municipal Bonds . . . . .	11,771,963.22
Stock in Federal Reserve Bank . . . . .	900,000.00
Housing Authority Bonds (Guaranteed) . . . . .	6,652,755.61
Other Bonds . . . . .	67,100.00
Loans and Discounts . . . . .	221,190,919.68
Income Accrued . . . . .	1,047,993.60
Letters of Credit and Acceptances . . . . .	8,255,918.08
Banking House and Equipment . . . . .	5,202,472.49
Other Assets . . . . .	52,957.39
	<hr/>
	\$575,186,375.75

### LIABILITIES

Capital Stock . . . . .	\$15,000,000.00	
Surplus Fund . . . . .	15,000,000.00	
Undivided Profits . . . . .	4,139,639.31	\$ 34,139,639.31
Reserved for Contingencies . . . . .		3,180,485.83
Reserved for Taxes, Etc. . . . .		3,040,628.18
Deferred Income . . . . .		470,000.57
Letters of Credit and Acceptances . . . . .		8,255,918.08
DEPOSITS:		
Individual . . . . .	\$310,998,606.02	
Banks . . . . .	198,055,951.15	
U. S. Government . . . . .	17,045,146.61	\$526,099,703.78
		<hr/>
		\$575,186,375.75

77th year of dependable correspondent service

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**GEO. N. ALDREDGE**  
CHAIRMAN  
EXECUTIVE COMMITTEE  
**A. H. BAILEY**  
PRESIDENT  
HIGGINBOTHAM-BAILEY CO.  
**HENRY C. COKE, JR.**  
COKE & COKE  
ATTORNEYS  
**ROSSER J. COKE**  
COKE & COKE  
ATTORNEYS  
**CARR P. COLLINS**  
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FIDELITY UNION LIFE  
INSURANCE CO.  
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ELLIOTT LUMBER CO.

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INVESTMENTS  
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COMPANY  
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PRESIDENT  
SOUTHLAND PAPER MILLS  
LUFKIN, TEXAS  
**C. L. MAILLOT**  
PROPERTY MANAGEMENT  
AND INVESTMENTS

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MANAGER  
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**HARRY S. MOSS**  
INDEPENDENT OIL OPERATOR  
**Wm. F. NEALE**  
PRESIDENT  
Wm. F. NEALE & CO.  
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HARDWARE CO.  
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UNION COMPRESS &  
WAREHOUSE CO.  
LUBBOCK, TEXAS  
**JAMES RALPH WOOD**  
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SOUTHWESTERN LIFE  
INSURANCE CO.  
**BEN H. WOOTEN**  
PRESIDENT



1st

# NATIONAL BANK in DALLAS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

# Canada's Prospect for Wide Activity

CHARLES M. SHORT

CANADA turned into the year 1953 with prospects of another active year—active, that is, not only in production and trade, but also in adjustments to changed conditions in the domestic and international economic fields. These adjustments involve problems of disposing of a total production about 10 percent higher than that of a year ago, notably record quantities of exportable grains, minerals, and industrial goods, in European and Asiatic markets which have shrunk under the trade restrictions necessitated by the dollar gaps in those areas. Canada looks for some improvement in such markets later this year as the freer trade policies adopted at the British Commonwealth Conference last December, in which she took quite a prominent and constructive part, are expected to become effective and various import restrictions eased. Canada looks, also, for broader markets in the United States and Latin America.

## Foreign Trade Value

Canadian foreign trade, merchandise exports and imports combined, in 1952 was valued at over \$8-billion, notwithstanding price declines on both sides of the account, with import prices dropping at a much greater rate than export prices. About half of this total foreign trade was with the United States and resulted in a balance against Canada of over \$600,000,000. Yet the Canadian holdings of gold and American dollars rose to a new high at the year-end of over \$1,800,000,000.

One problem that is being squarely faced in Canada this year is that, even though broader foreign markets may be found for her exportable surpluses, the current prices of

these are generally out of line with world prices and should be lowered if this country is to maintain a strong competitive position. This problem is aggravated by the loss during the past year of the export premium in American exchange consequent upon the Canadian dollar rising above par.

This exchange situation has, as was noted some months ago in *BANKING*, caused liquidation by American interests of quite large holdings of Canadian securities. In a recent month this liquidation was the greatest ever recorded, and for the entire year 1952 amounted to over \$100,000,000. It is important to note, however, that such liquidation was only of *outstanding* securities. New American capital investment in Canada last year was at about the same high level as in 1951, approximately \$300,000,000.

## Uses for Capital

Much the same flow of capital to Canada is expected this year, mainly for further development of natural resources, such as oil, iron, titanium, nickel, and related metallurgical works, as well as the big aluminum and hydroelectric projects in British Columbia. Some of this capital may also be turned to preliminary development of what appears to be another major discovery of iron ore, in the Ungava region within quite short distance of tidewater transportation in Newfoundland. The Eaton interests of Cleveland are behind this project, and, while the ore is of medium and low grade quality, the indications are that it is such a massive body and so easily accessible to transportation as to warrant large scale exploitation. Work is also likely to be done this year on newly found deposits of kyanite in Ontario and western Canada. This mineral

has become of some strategic importance for use in the manufacture of aircraft.

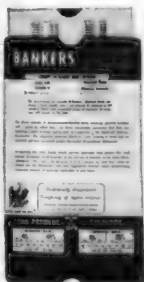
Among other developments are the extension of the oil pipeline between Edmonton and Superior, Wisconsin, to Sarnia opposite Port Huron, Michigan, and the completion late this year of a new 600-mile line from Edmonton to Vancouver, B. C., and to a refinery now being built in the State of Washington. Natural gas pipelines of considerable extent east and west of the Alberta field are under consideration. All of these are expected to lead to even greater activity in oil and gas exploration and development in western Canada, with a view to increasing production of oil to half a million barrels daily within the next few years.

It is expected that the new uranium field and concentrating mill of 500 tons of ore a day in northern Saskatchewan will come into production next spring and, also, that a new mill for the older uranium property in the subarctic region to replace one destroyed by fire last year will be ready for operations in a few months' time.

Thus Canada's natural resources development program will continue this year on a broad scale and entail capital expenditures as large as those of 1952—over \$1-billion. There will probably be less spent for new industrial facilities, for one reason, because, the federal government's defense construction is well advanced. The output of armament this year will, therefore, increase quite substantially and include a lot of stuff which Canada has hitherto had to buy from the United States. At the same time, American orders for Canadian armament are expected to be of larger volume and a balance struck between the two countries in production. (END)



HOW MUCH PROTECTION HAVE YOU?



An added feature of this calculator is a device by which you can compute automatically the monthly amortization charge on a large selection of loan amounts at four different interest rates.

The hand of dishonesty is taking an increasingly heavy toll these days.

That's why it's a good idea to examine your Bankers' Blanket Bond closely to see that the amount of your protection gives you the margin of safety you need. Insufficient protection invites disaster!

To help you determine the amount of coverage you need, your Indemnity Agent will be happy to give you a handy Bankers' Automatic Calculator. You can find the suggested amount of Bankers' Blanket Bond coverage, as recommended by the American Bankers

Association, simply by manipulating the card in the slot. The amount slides instantly and easily into view.

This convenient desk device is free, of course. Talk over your Bankers' Blanket Bond with the Indemnity Agent—make sure it gives you *full* protection against all insurable hazards. And ask your Agent for your copy of the Bankers' Automatic Calculator.



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# The Year Ahead

*Here are a few bankers' commentaries on business and public affairs, culled from the 1952 annual reports*

*of American banks. Other excerpts appear on page 172, and still others will be published in March.*

### GREEN AND RED LIGHTS

Edward E. Brown, chairman; James B. Forgan, vice-chairman; Homer J. Livingston, president, The First National Bank of Chicago:

IF there is no major change in the international situation, we would anticipate that, following the usual seasonal decline in loans in the first quarter of the year, there will be a substantial continuing demand for credit which should support interest rates at approximately present levels for at least the first six months or so of the new year.

Many industries are now anticipating good business throughout the coming year. Surveys of expected expenditures on business plant and equipment for 1953 show only a small decline from the high levels of 1952. No sharp curtailment of defense spending in 1953 seems probable. Any decline in such spending may largely be offset by an increase in state and municipal highway and building construction programs. From preliminary estimates, it now appears that total expenditures for construction in 1953 may be as large as in 1952.

For some months there has been a modest but steady decline in the farm parity ratio. Although total farm income is substantial, a continuance of the decline in farm purchasing power will have some adverse effects on many important segments of our economy.

For a number of years, business and industry generally have operated at very satisfactory levels. There is always the danger in any extended period of active and profitable business that management, particularly when it has not experienced adversity, will become less prudent and careful. Inventories become extended, expansion is carried too far, speculation takes place in

commodities and securities, and waste creeps into multiple phases of production. In periods of active business such as we are having, the best management analyzes its operations critically and examines its policies carefully.

Whether we have too much productive plant in some industries, or whether it will serve to make available a substantially higher standard of living for our people, depends very largely on the cost of production, a basic element of which is wages. If increases in costs occur without corresponding increases in productivity, the result will be to price goods out of the market with resultant declines in sales and employment. If, on the other hand, productivity per dollar of cost is increased, the market can support our facilities and labor in a continued period of general prosperity, although it may be one in which renewed competition will result in spottiness in some lines of business and even in some failures and dislocation of employment.

### TURNING POINT

J. Luther Cleveland, chairman, and William L. Kleitz, president, Guaranty Trust Company of New York:

THE principal question as we enter 1953 is how long such conditions [of general prosperity] can last, and more specifically how the economy will react to the decline that must eventually occur in expenditures for national defense. It is possible that some rather extensive readjustments may be necessary and that they may temporarily affect production and employment. We cannot now foresee just when such difficulties may appear or how troublesome they may be. But we can

(CONTINUED ON PAGE 120)



# PHILCO



## *Brings New Leadership to the Refrigerator Industry*

In engineering achievements, in design, in sales, Philco refrigerators, with the exclusive Dairy Bar and Cheese Keeper, made the big news in the home refrigerator industry in 1952.

Yes, Philco, climaxing 60 years of spectacular growth, adds still another milestone to its leadership record by increasing its percentage of industry sales by 40 percent. And, testifying to their overwhelming public acceptance, Philco Dairy Bar refrigerators in a recent independent coast-to-coast survey were the three-to-one favorite of American Housewives.

The demand for Philco refrigerators has been so great that production was maintained at full capacity throughout the year. To meet the continued heavy dealer and consumer requirements, Philco, as part of its over-all expansion program, has increased significantly its 1953 production capacity for Philco Dairy Bar refrigerators.

Since 1939, when Philco first entered the field, Philco refrigeration engineers and designers have contributed major advances in features, convenience, utility and values in electric refrigerators for the home. Philco was the first to introduce the horizontal freezer to the industry, which revolutionized refrigerator interior design. Advanced automatic defrost, the "Conservador" door-storage compartment, forerunner of the Philco Dairy Bar, and flexible interior storage, are among the many other developments by Philco engineers and designers that set new standards for the entire industry.

And now, for 1953, Philco makes a revolutionary new contribution to refrigerator development—establishing new standards of perfection in the refrigeration of fresh and frozen foods for the home with the Philco "Automatic"—first fully automatic refrigerator ever built.

The Philco tradition is a tradition of leadership in *all* phases of the company's broad range of activities. As in refrigerators, so in television, radio, home freezers, room air conditioners, electric ranges, and in vital research and production for Government and Industry, Philco is making notable contributions worthy of a leader.



This department is compiled by  
THEODORE FISCHER of BANKING'S  
staff.

## Top Level Changes at National City, N. Y.

**H**OWARD C. SHEPERD has been named chairman of the board of The National City Bank of New York and of its trust affiliate, the City Bank Farmers Trust Company. In these positions he succeeds WILLIAM GAGE BRADY, JR., who has retired at the age of 65.

MR. BRADY had been with the bank for some 37 years. He was named president in 1940, and board chairman in 1948.

MR. SHEPERD has spent his banking career with National City, having entered the bank's college training class in 1916 following his graduation from De Pauw University. He had been president since 1948.

Succeeding MR. SHEPERD as president is JAMES S. ROCKEFELLER, formerly executive vice-president.

As previously announced, W. RANDOLPH BURGESS has resigned to accept an appointment by President Eisenhower as deputy and consultant to the secretary of the Treasury. MR. BURGESS was chairman of the executive committee of National City and chairman of the board of City Bank Farmers Trust.

Three vice-presidents were promoted to executive vice-presidents: J. HOWARD LAERI, GEORGE S. MOORE, and ALAN H. TEMPLE. The last named has supervision of the bank's *Monthly Economic Letter*.

New vice-presidents are: HOWARD S. BUTTERWECK, HOWARD B. MACADAMS, ALLEN F. MAYBEE, FRANK T. MITCHELL, and JOSEPH P. SHAW.

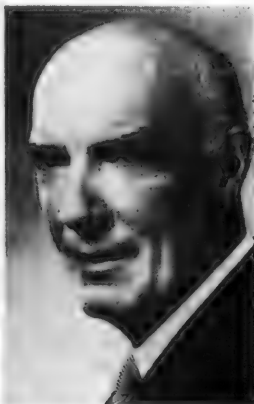
Wm. Gage Brady, Jr.



James S. Rockefeller



Howard C. Sheperd



# Heard Along

ERWIN W. JONES, vice-president and active head of the department of banks and bankers at the Iowa-Des Moines National Bank, has retired. Succeeding him is Vice-president GERALD O. NELSON, who will be assisted by EVERETT M. GRIFFITH, vice-president, and E. STANTON MILLER, assistant cashier.

GEORGE C. WEBB and JOHN VORDER BRUEGGE, JR., are now vice-presidents of Union Planters National Bank, Memphis, Tennessee.

Through consolidation, the First National Bank of Belmont, California, is now the Belmont office of THE FIRST NATIONAL BANK OF SAN MATEO COUNTY, Redwood City, California.

New vice-presidents of First National Bank of Minneapolis are: LYMAN E. WAKEFIELD, JR., THOMAS M. KULP, and LUD C. VOBAYDA.

HENRY W. WEBER has been elected president of The Dime Savings Bank of Williamsburgh, Brooklyn, New York, succeeding the late C. C. MOLLENHAUER. MR. WEBER has been with the bank for 31 years; its vice-president since 1944. Also elevated were THEODORE A. MALMBERG, to vice-president; M. EARL JOLLS, treasurer; JOHN A. PETERSON, assistant treasurer.

WESLEY C. SHOLES was promoted to vice-president and secretary of the Norwich (Connecticut) Savings Society. He's an alumnus of The Graduate School of Banking, class of 1950.

## It Finally Happened!

Savings Bond story, probably apocryphal, concerns the lady who called the bank to inquire about what to do with a bond. The banker inquired: "Is this bond for redemption or conversion?" The lady had a question, too: "Am I talking with a bank or a church?"

TULLY F. DUNLAP was elected president of Riverside Bank, Miami, Florida, succeeding the late CALVIN OAK. MRS. F. DE CAMP OAK, widow of the bank's founder, was elected chairman of the board; CHARLES W. FISHBURN, executive vice-president; MRS. MARY W. RHODES, assistant cashier. The new chairman is no stranger to banking, having served as a director and also as vice-president.

KENNETH O. BIRNEY, RANDOLPH G. OWSLEY, WILLIAM O. RICE, and J. ROBERT WEBSTER were elected vice-presidents of Harris Trust and Savings Bank, Chicago.

These promotions are announced by The Bank of California, N.A., San Francisco: Vice-president and cashier, ROGERS W. KIMBERLING; vice-presidents, VICTOR T. CRANSTON, ROBERT L. SHEARN.

PAUL K. YOST, vice-president of Security-First National Bank of Los Angeles, has retired and joined an industrial real estate firm.

The Iowa State Bank in Des Moines recently displayed the coin bank collection of staff member CLARENCE T. SIMMONS. The collection has passed the 6,000 mark in number of varieties of banks. MR.

# Main Street

SIMMONS began his collection 35 years ago while he was a traveling bank examiner. He's a former treasurer of the Iowa Bankers Association.

Officers and employees and guests celebrated the 15th anniversary of the BANK OF MARION, Illinois, with a dinner just before Christmas. There was entertainment and a souvenir booklet was distributed.

## Honors "Oldest" Church

THE FARMERS BANK OF THE STATE OF DELAWARE on its 1953 calendar honors the 250th anniversary of Old Christ Church in Dover, Delaware. The church, founded in 1703, was built of bricks brought from England.

"Is it the oldest church in the United States?" the bank asks.

BANKING decided to find out. We didn't get too far. We did learn that there are a number of older churches which are interesting as "ruins." There was some thought that Santa Fe, New Mexico, might have the oldest church building still in use. Perhaps some of our readers might know about this. What about New England, St. Augustine, or Jamestown, Virginia?

The Northern Trust Company, Chicago, lost four officers by retirement on December 31: LAURENCE B. ROBBINS, CHARLES M. NELSON, and JAMES A. RUSSELL, vice-presidents; and WILLIAM P. WHELAN, assistant cashier.

AUSTIN C. CHESHIRE, vice-president and secretary of The Dime Savings Bank of Brooklyn, New York, has retired after 36 years with the bank. Associates marked his retirement with a surprise luncheon at which he received a wristwatch and silver tray and a set of matched luggage. The Dime Club, the bank's employee group, also presented him with an engraved silver plate. Although retiring as an active officer,

MR. CHESHIRE will continue as a member of the board.

## Dodge Board Chairman

JOSEPH M. DODGE, the new Director of the Budget (see "The New Direction of Monetary Policy," starting on page 53 of this issue), has resigned as president of The Detroit Bank, Detroit, Michigan, and has been named chairman of the board. RAYMOND T. PERRING, formerly executive vice-president, has been named president. He is 47 years old and a native Detroit. MR. DODGE is a former president of the American Bankers Association.

HAROLD E. ZARKER, who has been vice-president of the First Bank and Trust Company of Perth Amboy, New Jersey, on January 1 rejoined the Princeton (N.J.) Bank and Trust Company with which he was formerly associated. MR. ZARKER is active in the New Jersey Bankers As-



S. Clarke Beise, senior vice-president, led 250 members of the Bank of America staff in San Francisco, in donating a pint of blood as a special Christmas present for the Armed Forces in Korea. For two days the bank's oak-paneled director's room was operated as a blood donor center. The Red Cross said most of the blood was flown immediately to Korea

sociation, is a member of the faculty of The Graduate School of Banking, and a guest lecturer at the School of Engineering, Princeton University.

DARRYL R. FRANCIS, formerly vice-president of the National Bank of

The women's bowling team of the First National Bank at Springdale, Arkansas, recently won the Arkansas state bowling championship for women. This was the first year the bank employees had bowled together as a team. The champions are, left to right: Jerry Kendrick, Monte Rae Adams, Mida Neff, Nelda Hartley, and Maudine Farish



# California Bank

*Los Angeles*

*(An Industrial, Business-Minded Bank  
located in the "Industrial Center of the West")*

## Statement of Condition

as of December 31, 1952

### Resources

Cash and Due from Banks . . . . .	\$148,701,909.80
United States Government Securities . . . . .	249,273,704.34*
Obligations of Other Federal Agencies . . . \$ 8,762,417.50	
State, County, and Municipal Bonds . . . . 18,402,774.33	
Other Bonds and Securities . . . . . 296,063.11	27,461,254.94*
Federal Reserve Bank Stock . . . . .	600,000.00
Ownership of California Trust Company . . . . .	1,475,324.66†
Loans and Discounts . . . . .	169,505,544.54
Bank Premises, Furniture, and Fixtures . . . . .	3,067,917.26
Earned Income Receivable . . . . .	1,741,392.44
Customers' Liability under Letters of Credit and Acceptances . . . . .	3,350,854.73
Other Resources . . . . .	277,255.83
<b>TOTAL . . . . .</b>	<b>\$605,455,158.54</b>

### Liabilities

Demand Deposits . . . . .	\$402,150,599.79	
Time Deposits . . . . .	139,194,936.09	
United States Government Deposits . . . . 18,485,926.82		
Other Public Deposits . . . . . 10,260,841.66	\$570,092,304.36	
Reserve for Interest, Taxes, and Expenses . . . . .	2,927,362.49	
Unearned Income Collected . . . . .	1,888,393.24	
Letters of Credit and Acceptances . . . . .	3,381,864.50	
Capital Stock . . . . .	\$10,000,000.00	
Surplus . . . . .	10,000,000.00	
Undivided Profits . . . . . 7,165,233.95	27,165,233.95	
<b>TOTAL . . . . .</b>	<b>\$605,455,158.54</b>	

\*\$41,882,353.20 pledged, according to law, to secure Public Funds and Trust Deposits.  
†California Trust Company—owned by California Bank and devoted exclusively to trust service—has Capital of \$1,000,000.00, Surplus of \$525,000.00, and Undivided Profits of \$322,712.10.

### Officers

FRANK L. KING, *President*

#### Vice Presidents

C. C. DePLEDGE CHAS. E. DONNELLY, *Counsel*

ARTHUR T. BRETT G. M. CHELEW F. W. DENNING C. W. FRIEND  
W. WAYNE GLOVER GLENN B. GOSSETT H. V. GRICE F. S. HANSON  
DARWIN A. HOLWAY F. S. HUBER H. E. HUDSON T. E. IVEY, JR.  
MILTON A. MACLEAN F. M. MAGEE JOSEPH MAGOFFIN MARK G. McMAHON  
H. J. MENDON B. B. ODELL A. O. OTSEA W. E. PALMER C. C. PEARSON  
A. R. PUCHNER R. A. REID GUSTAV RIEDLIN F. HOWARD RUSS, JR.  
E. H. SINK A. H. SMITH J. H. STEENSEN CLIFFORD TWETER  
P. H. VAN HORSEN R. J. VOSS O. S. AULTMAN, *Cashier*

MEMBER FEDERAL RESERVE SYSTEM & FEDERAL DEPOSIT INSURANCE CORPORATION



Dale Brown



J. H. Wilkinson, Jr.

Commerce of Memphis, Tennessee, has joined the Boatmen's National Bank of St. Louis as a vice-president. At Memphis, Mr. FRANCIS was head of the correspondent bank department, and in his new position will also be in charge of a similar department as well as agricultural credits.

DALE BROWN, vice-president in charge of public relations of National City Bank of Cleveland, has been appointed chairman of the Cleveland Community Chest public relations committee.

J. HARVIE WILKINSON, JR., vice-president since January 1935 of the State-Planters Bank and Trust Company, Richmond, Virginia, has been elected executive vice-president. Mr. WILKINSON has long been active in the American Bankers Association and in the American Institute of Banking, and in many civic and business enterprises.

RICHARD A. BOOTH, president, Springfield (Massachusetts) Institution for Savings, addressed the recent conference in Cleveland, Ohio, of Presidents of Community Welfare Council Leaders. The purpose of the meeting was to develop plans for getting maximum results from social welfare dollars. Sponsors of the conference included these bankers: EDWIN C. GAMBLE, vice-president, Central Trust Company, Cincinnati; RAY M. GIDNEY, president, Federal Reserve Bank of Cleveland; EDWARD P. WELLS, vice-president, Northwestern National Bank, Minneapolis.

ORIE R. KELLY, vice-president and director of Bankers Trust Company, New York, has been named to the new board for development of New York University.

ROBERT S. MILLER, executive vice-president of the First National Bank of Glen Head, New York, has been appointed to the board of trustees of

(CONTINUED ON PAGE 24)





# THE ROYAL BANK OF CANADA

*Head Office, Montreal*

JAMES MUIR  
*President*

T. H. ATKINSON  
*General Manager*

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## *Condensed Annual Statement* as on 29th November, 1952

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### ASSETS

Cash, checks and balances with other banks.....	\$ 534,087,803.17
Government and other public securities, not exceeding market value .....	976,940,108.20
Other securities, not exceeding market value.....	103,063,282.66
Call loans .....	96,830,435.26
Other loans and discounts.....	885,347,481.57
Liabilities of customers under letters of credit.....	69,368,976.45
Other assets .....	25,818,786.40
	<u>\$2,691,456,873.71</u>

### LIABILITIES

Capital, reserve and undivided profits.....	\$ 92,564,217.54
Notes in circulation.....	101,062.68
Deposits .....	2,527,510,437.43
Letters of credit outstanding.....	69,368,976.45
Other liabilities .....	1,912,179.61
	<u>\$2,691,456,873.71</u>

---

### *Over 770 Branches*

IN CANADA, ARGENTINA, BRAZIL, BRITISH GUIANA, BRITISH HONDURAS,  
COLOMBIA, PERU, URUGUAY, VENEZUELA, CUBA, HAITI, PUERTO RICO,  
DOMINICAN REPUBLIC, BRITISH WEST INDIES. OFFICES IN NEW YORK,  
LONDON AND PARIS. CORRESPONDENTS THE WORLD OVER.

#### *London Branches*

6 Lothbury, E. C. 2

2 Cockspur S. W. 1

#### *Auxiliary in France*

THE ROYAL BANK OF CANADA (FRANCE)

*Paris*

---

NEW YORK AGENCY  
68 William Street

EDWARD C. HOLAHAN  
JOSEPH W. GANANN  
*Agents*

Condensed Statement of Condition of  
**The Barnett National Bank**  
*of Jacksonville*

From Report to Comptroller at the Close  
of Business December 31, 1952

**RESOURCES**

CASH & Due from Banks	\$38,269,960.56	
U.S. Securities	40,749,760.05	
Obligations of Federal Agencies	550,309.47	
Listed, Municipal and Other Bonds & Securities	1,033,282.43	
Accrued Interest	214,416.62	80,817,729.13
Loans & Discounts		26,795,805.28
Overdrafts		4,052.01
Customers' Liability for Letters of Credit		69,999.00
Bank Premises, Furniture & Fixtures		1,460,678.54
Other Resources		30,600.96
		<b>\$109,178,864.92</b>

**LIABILITIES**

Capital	2,000,000.00	
Surplus & Undivided Profits	3,851,008.10	5,851,008.10
Reserve for Dividend, Payable January 1, 1953		30,000.00
Reserves		1,200,613.05
Letters of Credit	75,161.00	
Less Payment	5,162.00	69,999.00
Bills Payable		NONE
Other Liabilities		191,475.84
Deposits		101,835,768.93
		<b>\$109,178,864.92</b>

**UNION PLANTERS  
NATIONAL BANK**

MEMPHIS,

TENN.



Forward  
with  
Memphis  
Since  
1869

**Condensed Statement**

At the Close of Business December 31, 1952

**RESOURCES**

Cash and Due from Banks	\$ 77,952,989.04
U. S. Government Securities	62,650,252.50
Securities of Instrumentalities of the United States Government	900,037.19
State and Municipal Securities	14,367,853.79
Stock in Federal Reserve Bank	540,000.00
Other Securities	269,286.13
Loans and Discounts	140,553,227.73
F.H.A. Insured Mortgages	2,752,497.47
Banking Houses and Fixtures (Main Office and Branches)	3,995,000.00
Customers' Liability a/c Letters of Credit and Acceptances	7,347,700.29
Accrued Interest Receivable	464,102.18
Other Assets	163,434.80
<b>TOTAL</b>	<b>\$311,956,381.12</b>

**LIABILITIES**

Capital Stock	\$ 6,000,000.00
Surplus	12,000,000.00
Undivided Profits	2,478,750.74
Reserve for Interest, Taxes and Expenses	1,584,289.26
Interest Collected but not Earned	1,083,721.08
Letters of Credit and Acceptances	7,347,700.29
Deposits	261,461,919.75
<b>TOTAL</b>	<b>\$311,956,381.12</b>

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



David G. Campbell



Leon H. Steward

**MAIN STREET (Continued)**

Hofstra College, Hemstead. Mr. MILLER was designated as the Heger Trustee, a post created to perpetuate the ideals of EMIL R. HEGER, president of the Bank of Malverne, New York.

**Suggestions Pay**

S. LOWELL HOXIE of the personal credit department of the National City Bank of New York won \$3,350 during 1952 for suggestions to increase efficiency, improve service, and effect operating economies. This is the highest individual total award made by the bank's suggestion committee since inception of the plan in 1949.

DAVID G. CAMPBELL and LEON H. STEWARD are new vice-presidents of the Depositors Trust Company, Augusta, Maine. Mr. CAMPBELL, senior loaning officer at the Augusta office, is also supervisor for the several offices in the southern division of the bank's group of 13 offices. He is president of the trust company division of the Maine Bankers Association. Mr. STEWARD, of the Waterville office, is also the bank's advertising director and representative in the Financial Public Relations Association. Both men have been connected with the bank since its organization in 1933.

GUY B. HOLT has been named vice-president and investment officer of Phoenix State Bank and Trust Company, Hartford, Connecticut.

ROBERT B. ANDERSON, deputy chairman of the board of the Dallas Federal Reserve Bank, has been named Secretary of the Navy.

J. CARLISLE ROGERS, vice-president of The First National Bank of Leesburg, Florida, has been appointed to the board of directors of the Jacksonville Branch of the Federal Re-



Mark C. Wheeler



D. J. Needham

serve Bank of Atlanta. MR. ROGERS is the second officer in the bank to be so honored—from 1928 to 1935, President G. G. Ware was also a member of the board of the Atlanta Federal Reserve Bank.

ALLAN HOOVER and JEREMIAH MILBANK, JR., both of Greenwich, Connecticut, have been elected to the board of The Greenwich Trust Company. MR. HOOVER is the son of former President Herbert Hoover.

MARK C. WHEELER has joined the Merchants National Bank of Boston as a vice-president. He was a director of the investment supervision department of Estabrook & Co.

D. J. NEEDHAM, for 19 years general counsel of the American Bankers Association, now retired, has been elected vice-president of the Washington (D.C.) Mutual Investors Fund. He is associated also with the investment trust department of the Washington investment banking firm of Johnston, Lemon & Co., sponsor of the fund.

## Editorial Encomium

THE FIRST NATIONAL BANK OF Leesburg, Florida, has received high praise from a newspaper not in its own trade area. The *Orlando Sunday Sentinel-Star* recently carried a lengthy editorial, illustrated, which had this to say:

"Like a good stage director, Govan George Ware, the successful country banker over in neighboring Leesburg, always has had his eye peeled for talent. He has assembled a remarkable cast of bank employees down through the years. Their talents have resulted in a progressive, serviceable, friendly, and well known banking institution which has prospered mightily. . . . The First National Bank of Leesburg probably is Florida's best known country bank. . . . (The) bank and its services have come to fame because of the constant

# Guaranty Trust Company of New York

140 BROADWAY

FIFTH AVE. AT 44th ST. MADISON AVE. AT 60th ST. † LONDON PARIS  
ROCKEFELLER PLAZA AT 50th ST BRUSSELS

## Condensed Statement of Condition, December 31, 1952

### RESOURCES

Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers . . . . .	\$ 697,658,049.77
U. S. Government Obligations . . . . .	699,309,037.23
Loans and Bills Purchased . . . . .	1,566,424,556.05
Public Securities . . . . .	\$ 64,419,016.95
Stock of Federal Reserve Bank . . . . .	9,000,000.00
Other Securities and Obligations . . . . .	68,862,957.32
Credits Granted on Acceptances . . . . .	11,664,200.24
Accrued Interest and Accounts Receivable . . . . .	13,769,533.09
Real Estate Bonds and Mortgages . . . . .	9,455,247.35
Items in Transit with Foreign Branches . . . . .	91,128.44
Bank Premises . . . . .	8,374,562.36
<b>Total Resources . . . . .</b>	<b>\$3,149,028,288.80</b>

### LIABILITIES

Capital . . . . .	\$100,000,000.00
Surplus Fund . . . . .	200,000,000.00
Undivided Profits . . . . .	85,900,894.69
<b>Total Capital Funds . . . . .</b>	<b>\$ 385,900,894.69</b>
Deposits . . . . .	2,625,365,237.14
Bills Payable . . . . .	80,000,000.00
Foreign Funds Borrowed . . . . .	225,000.00
Acceptances . . . . .	\$ 15,877,890.02
Less: Own Acceptances Held for Investment . . . . .	2,952,810.62
	\$ 12,925,079.40
Dividend Payable January 15, 1953:	
Regular . . . . .	3,500,000.00
Extra . . . . .	2,500,000.00
Reserve for Expenses and Taxes . . . . .	22,845,531.05
Other Liabilities . . . . .	15,766,546.52
<b>Total Liabilities . . . . .</b>	<b>\$3,149,028,288.80</b>

Securities carried at \$310,988,476.42 in the above statement are pledged to qualify for fiduciary powers, to secure public moneys as required by law, to secure Bills Payable, and for other purposes.

J. LUTHER CLEVELAND Chairman of the Board WILLIAM L. KLEITZ President THOMAS P. JERMAN Vice-President ALFRED R. THOMAS Vice-President

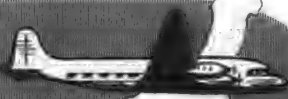
### DIRECTORS

GEORGE G. ALLEN Chairman of the Board, Duke Power Company  
F. W. CHARSKÉ Chairman, Executive Committee, Union Pacific Railroad Company  
J. LUTHER CLEVELAND Chairman of the Board  
W. PALEN CONWAY President, The Presbyterian Hospital in the City of New York  
CHARLES P. COOPER Chairman of the Board, Crane & Co., Inc., Dalton, Mass.  
WINTHROP M. CRANE, JR. Chairman of the Board, The Columbia Gas System, Inc.  
STUART M. CROCKER Chairman of the Board, The Davis Polk Wardwell Sunderland & Kiendl  
JOHN W. DAVIS President, The Berwind-White Coal Mining Company  
CHARLES E. DUNLAP President, The J. G. White Engineering Corporation  
GANO DUNN President, The Pennsylvania Railroad Company  
WALTER S. FRANKLIN Executive Committee, The Coca-Cola Company  
LEWIS GAWTRY Chairman of the Board, Anaconda Copper Mining Company  
CORNELIUS F. KELLEY President  
WILLIAM L. KLEITZ Chairman of the Board, Air Reduction Company, Inc.  
CHARLES S. MUNSON of Roosevelt & Son  
WILLIAM C. POTTER President, The Prudential Insurance Company of America  
GEORGE E. ROOSEVELT Chairman, Executive Committee, Illinois Central Railroad Company  
CARROL M. SHANKS President, American Cyanamid Company  
EUGENE W. STETSON Trustee, The Ford Foundation  
KENNETH C. TOWE Chairman of the Board, International Business Machines Corporation  
THOMAS J. WATSON Chairman of the Board, The Ford Foundation  
CHARLES E. WILSON Executive Committee, The Coca-Cola Company  
ROBERT W. WOODRUFF

Member Federal Deposit Insurance Corporation

## 富士銀行

We welcome your inquiries and the opportunity of working with you in furthering your business interests in Japan and abroad.



184 Branches located in key cities throughout Japan.



**THE FUJI BANK LTD.**

HEAD OFFICE  
1-Chome, Otemachi, Chiyoda-ku, Tokyo.

LONDON BRANCH  
1-4, Copthall Chambers, Angel Court, London, E. C. 2

## BANCO COMERCIAL DEL PERU

MAIN OFFICE } Jesus Nazareno 139,

LIMA

CABLES:  
"BANCOPER"

PERU

A steadily increasing number of banks in the United States are sending us their

### COLLECTIONS ON PERU

They find they can rely on us for rapid and efficient service, including:—

- immediate presentation
- strict observance of instructions
- prompt remittance of proceeds

Our Foreign Department will be glad to furnish terms on request, and to answer enquiries in connection with Peru's Foreign Trade.

effort and energy Mr. Ware and his associates have applied to what they conceived to be their job—community service. Activity—always doing something for their customers and their community—that's what makes life interesting for Mr. Ware and his talented crew."

The First National Bank of Huntington, New York, and The First National Bank and Trust Company of Northport, New York, have consolidated. The resulting institution, the FIRST SUFFOLK NATIONAL BANK OF HUNTINGTON becomes the largest commercial bank in Suffolk County with total resources of \$18,464,906 as of December 31.

J. WARREN LEMOINE, of the loan department of Rapides Bank & Trust Co. in Alexandria, Louisiana, has advanced to a vice-presidency.

ALLEN W. MATHIS, JR., formerly of Continental Illinois National Bank & Trust Company, Chicago, is now a vice-president of Club Aluminum Products Company.

Chemical Bank & Trust Company, New York, has established an oil and gas department, which is to be under the supervision of Vice-president HOWARD W. MCCALL, JR.

"A History of Banking at Merrill, Wisconsin, as it pertains to The Citizens American Bank" was the title of

Thomas B. McCabe, Swarthmore, Pa., former chairman of the Board of Governors of the Federal Reserve System, received the Pennsylvania Award for outstanding service to the American competitive system at the yearly dinner given by the Americans for the Competitive Enterprise System in Philadelphia on January 26. He's president of the Scott Paper Company



George L. McCarthy Maj. Gen. Hervey



a souvenir booklet presented at the open house celebrating completion of the bank's remodeling project.

### McCarthy Named Chairman of Recordak Corporation

GEORGE L. MCCARTHY has been named chairman of the board of Recordak Corporation. MR. MCCARTHY is the inventor of Recordak. He conceived the idea of copying bank checks on film back in the early 1920s and by 1926 he had managed to put together 10 machines, one of which was exhibited at the annual convention of the American Bankers Association in Los Angeles.

The Eastman Kodak Company became interested, and the Recordak Corporation was formed as a Kodak subsidiary in 1928 under Mr. MCCARTHY's guidance. The first installation was made in the Empire Trust Company and within a year there were more than 200 installations in New York City alone.

JOHN K. BOEING, vice-president of the firm since 1943, succeeds Mr. MCCARTHY as president and has been named to the board of directors.

MAJ. GEN. HARCOURT HERVEY, former commander of the 40th Infantry Division, California National Guard, for reasons of health has retired as vice-president of Security-First National Bank of Los Angeles after 30 years with the bank. GENERAL HERVEY commanded the 40th during its final combat operations on Negros in the Philippine Islands during World War II.

EDWARD A. WALTON has been promoted to economic adviser of the Bank of Montreal, succeeding W. T. G. HACKETT, recently made an assistant general manager.

These promotions are now effective at Crawford County Trust Company, Meadville, Pennsylvania: WALTER S. WILLIAMS, vice-president and secre-

(CONTINUED ON PAGE 28)





# THE DETROIT BANK

## Statement of Condition

December 31, 1952

★

### RESOURCES

CASH AND DUE FROM BANKS . . . . .	\$128,185,082
UNITED STATES GOVERNMENT OBLIGATIONS . . . . .	311,050,514
(Due or Callable within one year \$143,864,586)	
(Due or Callable 1 to 5 years \$121,909,251)	
STATE AND MUNICIPAL SECURITIES . . . . .	55,506,921
(Due within 5 years \$44,148,119)	
CORPORATE AND OTHER SECURITIES . . . . .	10,844,010
(Due within 5 years \$9,406,922)	
LOANS AND DISCOUNTS . . . . .	97,766,369
REAL ESTATE LOANS . . . . .	89,098,724
FEDERAL RESERVE BANK STOCK . . . . .	705,000
BANK PROPERTIES AND EQUIPMENT . . . . .	3,803,824
(Main Office and Thirty-Five Branch Offices)	
ACCRUED INTEREST AND PREPAID EXPENSE . . . . .	2,576,404
CUSTOMERS LIABILITY ON ACCEPTANCES AND CREDITS . . . . .	296,260
OTHER ASSETS . . . . .	98,241
TOTAL . . . . .	<u>\$699,931,349</u>

★

### LIABILITIES

DEMAND DEPOSITS:			
INDIVIDUALS, CORPORATIONS AND OTHERS . . . . .	\$323,953,333		
U. S. GOVERNMENT . . . . .	13,881,841		
OTHER PUBLIC FUNDS . . . . .	13,582,043	\$351,417,217	
SAVINGS DEPOSITS . . . . .		312,612,517	
TOTAL DEPOSITS . . . . .		\$664,029,734	
UNEARNED INTEREST . . . . .		1,596,160	
ACCRUED EXPENSES AND OTHER LIABILITIES . . . . .		2,754,787	
ACCEPTANCES AND LETTERS OF CREDIT . . . . .		296,260	
CAPITAL—COMMON (375,000 SHARES) . . . . .	\$ 7,500,000		
SURPLUS . . . . .	18,000,000		
UNDIVIDED PROFITS . . . . .	4,450,289		
GENERAL RESERVES . . . . .	1,304,119	\$ 31,254,408	
TOTAL . . . . .		<u>\$699,931,349</u>	

United States Government Securities in the foregoing statement with a par value of \$32,290,000 pledged to secure public and other deposits where required by law, including deposits of the State of Michigan amounting to \$4,709,884.

**MAIN OFFICE • GRISWOLD AT STATE • DETROIT, MICHIGAN**

**36 Offices Throughout the City**

MEMBER OF FEDERAL DEPOSIT INSURANCE CORPORATION

### DIRECTORS

WALKER L. CISLER  
CHARLES A. DEAN, JR.  
JOSEPH M. DODGE  
RALPH HUBBART  
GEORGE W. MASON  
JAMES McMILLAN  
H. GRAY MUZZY  
RAYMOND T. PERRING  
HARRY L. PIERSON  
CLEVELAND THURBER  
HERBERT B. TRIK  
NATHAN T. VIGER  
C. DAVID WIDMAN

### OFFICERS

#### Chairman of Board

JOSEPH M. DODGE

#### President

RAYMOND T. PERRING

#### Executive Vice President

CHARLES H. HEWITT

#### Vice Presidents

ROLAND A. BENGE  
MILTON J. DRAKE  
WENDELL C. GODDARD  
WILLIAM B. HALL  
CLIFFORD H. HYETT  
EDWIN D. KAY  
CHARLES A. KINNEY  
MURRAY L. MACDONALD  
GLEN C. MELLINGER  
RALPH J. ROMER  
MARSHALL S. WOODS

#### Cashier

GUSTAVE A. WELLENSICK

#### Assistant Vice Presidents

RONALD W. BAINBRIDGE  
GEORGE R. BERKAW, JR.  
FRANCIS A. FISHER  
HAROLD G. FREAR  
ANDREW J. LEE  
EARL H. QUIBELL  
ALBERT H. RUPP  
THURSTON O. SHREVES  
BURT R. SHURLY, JR.  
C. BOYD STOCKMEYER  
CHARLES H. WAINMAN  
W. BEA WALDRIP

#### Assistant Cashiers

HAROLD P. CARR  
GEORGE E. CLARK  
RODKEY CRAIGHEAD  
THEODORE A. DAUER  
WILLIAM DUELL  
EMERY J. GESELL  
JAMES R. HALL  
LEON H. HANSELMAN  
GEORGE L. HAWKINS  
ALBERT W. HOLCOMB  
DIX HUMPHREY  
RUPERT C. KEAIS  
HERMAN A. LOEFFLER  
CLYDE H. McDOUGALL  
ADRIAN A. MCGONAGLE  
WALTON B. MOORE  
HARRY S. RUDY  
ALBERT A. SHEPHERD  
JACK L. TALBOT

OVER ONE HUNDRED YEARS OF SERVICE

## MAIN STREET (Continued)

tary; CHARLES C. HUNTER, vice-president; NORMAN A. HODGSON, assistant vice-president and treasurer.

The First National Bank of Memphis, Tennessee, has promoted WM. C. DOTSON to vice-president; M. A. RATCLIFF to assistant vice-president.

Bank of Montreal has discontinued its Chicago office and has appointed WILLIAM E. BURGESS a special representative to maintain its contacts there. The office is in the building of the First National Bank of Chicago.

BERTRAND R. SYMONDS has been named vice-president of the Second National Bank of Boston.

### Joseph C. Rovensky

JOSEPH C. ROVENSKY, who retired in 1945 as vice-president in charge of the foreign department of Chase National Bank, New York, died on December 17 at the age of 76. He was widely known as a "world banker" and had many international business interests.

The Elmhurst (Illinois) National Bank has made these promotions:

Roger Steffan, whose retirement from The National City Bank of New York is announced on page 92 of this issue of *BANKING*, has been named by President Eisenhower as Director of Operations for the White House internal organization



WIDE WORLD

JAMES MATHER, vice-president and trust officer; EWALD E. LANG, cashier; DANIEL C. HASKINS, assistant vice-president; EVERETT F. SEEGER, auditor.

About 1,100 employees of First National Bank in Dallas and their wives or husbands attended the bank's Christmas dinner dance. BEN H. WOOTEN, president, was surprised by presentation of an engraved plaque, a tribute from the employees.

Seventy industrialists, businessmen, and bankers of northern Ohio attended a luncheon in Cleveland to honor two men who retired on December 31 from the Federal Reserve Bank of Cleveland: GEORGE C. BRAINARD, chairman of the board of directors, and WILLIAM H. FLETCHER, first vice-president. At the luncheon there was unveiled a portrait of Mr. BRAINARD which will be hung in the bank. Mr. FLETCHER received an oil portrait of himself.

ROBERT S. GRANT and WILLARD B. VAN HOUTEN have been named vice-presidents of the Industrial Trust Company, Providence, Rhode Island.

The McNulty Group of Banks in Florida has purchased controlling interest in the STATE BANK OF HAINES

Robert Cutler, president of the Old Colony Trust Company of Boston, was named by President Dwight D. Eisenhower as an administrative assistant with special responsibilities dealing with the National Security Council and affiliated agencies



WIDE WORLD



M. S. MacDonald



Edward J. Veitch

CITY. It now has banks in nine Florida communities.

MORGAN S. McDONALD and EDWARD J. VEITCH are new vice-presidents of Irving Trust Company, New York.

At Emigrant Industrial Savings Bank, New York, JOSEPH C. BRENNAN was named vice-president and assistant to the president; WILFRED B. KIRK, vice-president.

### Boyle Heads Own Charge Account Credit Group

WILLIAM J. BOYLE, vice-president of the Franklin National Bank of Franklin Square, New York, and president of the bank's Charge Plan Corporation, has resigned and has formed the Charge Account Credit Corporation of Rockville Centre, of which he is president.

The new company has been formed to "package" merchants' retail charge account credit as a bank service, and to assist banks in establishing charge account departments.

Vice-president EDWARD J. DONOHUE, is the new president of the bank's Charge Plan Corporation.

The PENNSYLVANIA NATIONAL BANK AND TRUST COMPANY, Pottsville, has opened a new branch which features drive-in banking and a walk-up window.

FIRST NATIONAL TRUST AND SAVINGS BANK of Santa Barbara, California, received a two-page spread in the current issue of *Pictorial California*, a publication circulated to every agency which might develop travel to California—as well as to regular subscribers. The magazine has never before editorially explored a financial institution.

The First National Bank of Miami, Florida, announces these promotions: WILLARD R. BROWN, vice-president and trust officer; HAROLD

(CONTINUED ON PAGE 110)

# IRVING TRUST COMPANY

## NEW YORK

### STATEMENT OF CONDITION, DECEMBER 31, 1952

#### ASSETS

Cash and Due from Banks . . .	\$ 339,133,328
U. S. Government Securities . .	352,584,818
U. S. Government Insured	
F.H.A. Mortgages . . . . .	20,214,136
Other Securities . . . . .	32,660,250
Stock in Federal Reserve Bank .	3,150,000
Loans and Discounts . . . . .	631,886,324
First Mortgages on Real Estate .	833,738
Banking Houses . . . . .	14,930,742
Customers' Liability for Acceptances Outstanding .	15,057,147
Other Assets . . . . .	3,903,310
	<u>\$1,414,353,793</u>

#### LIABILITIES

Capital Stock . . . . .	\$ 50,000,000
Surplus . . . . .	55,000,000
Undivided Profits . . . . .	16,392,783
Total Capital Accounts . . .	121,392,783
Deposits . . . . .	1,263,910,338
Reserve for Taxes and Other Expenses . . . . .	7,818,809
Acceptances: Less Amount in Portfolio . . . . .	15,854,342
Other Liabilities . . . . .	5,377,521
	<u>\$1,414,353,793</u>

United States Government Securities are stated at amortized cost.  
Of these, \$88,493,443 are pledged to secure deposits of public  
monies and for other purposes required by law.

#### DIRECTORS

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*Chairman of the Board*

**RICHARD H. WEST**  
*President*

**HARRY E. WARD**  
*Honorary Chairman*

**HENRY P. BRISTOL**  
*Chairman of the Board,  
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**WILLIAM K. DICK**  
*New York, N. Y.*

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**HAROLD A. HATCH**  
*Vice President,  
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**ROY W. MOORE**  
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**LEROY A. PETERSEN**  
*President, Otis Elevator Company*

**J. WHITNEY PETERSON**  
*President,  
United States Tobacco Company*

**JACOB L. REISS**  
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Reiss Manufacturing Corporation*

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*Greenwich, Conn.*

**WILLIAM J. WARDALL**  
*New York, N. Y.*

**FRANCIS L. WHITMARSH**  
*President,  
Francis H. Leggett & Company*

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



## Who will you call for these services in 1953?

In the year ahead, chances are your firm will need services like these. Since few companies maintain staffs large enough to include specialists in all these fields, more and more management men are finding that the best way to get the assistance they need is to call an organization like EBASCO.

For when you call EBASCO, you call a team of specialists—engineers, constructors, business consultants—men whose technical talents are at a premium in today's tight manpower market. They provide you with the service your particular problem requires—and do it without adding to your permanent payroll, overburdening your busy staff or wasting the valuable time of your top executives.

In half a century of serving business and industry, EBASCO has been engaged by small, as well as large companies all over the world. In the field of construction, it has built over a billion dollars worth of new plants. In financing, it has assisted in the raising of over two billion dollars.

Next time a need arises in your company for special assistance in engineering, construction or any phase of business operations, ask your operator to connect you with EBASCO.

For a full story of EBASCO's scope of operations, write for your free copy of "The Inside Story of Outside Help." Address: Ebasco Services Incorporated, Dept. L, Two Rector Street, New York 6, N. Y.



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Research  
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Systems & Methods  
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Washington Office

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**EBASCO SERVICES**  
INCORPORATED

NEW YORK • CHICAGO • WASHINGTON, D. C.



## The OUTLOOK and CONDITION OF BUSINESS

**T**HIS new chapter, which began only a few days ago, promises to be the most important in the book thus far. The importance of the decisions soon to be made assures that.

The beginning is auspicious with impressive resources of confidence and capital, which together determine the business outlook.

### Public Confidence

Business expects some deflation but feels sure that those in authority know how to handle it. For a long time business has been waking up at night and wondering what life would be like under a regime actually pledged to economy. Whenever this happened the fear of deflation and the fear of inflation were so mixed up there was nothing to do but go back to sleep again.

Doubts occasioned by the deflationary prospect were not concerned with its wisdom or inevitability but rather with our ability to face up to it after all the inflationary habits formed these many years.

Now that the regime pledged to economy is a reality, business opinion is tending to become realistic and to some extent reassured, but let's examine this further.

\* \* \*

Before the election in November it was generally assumed that a change in Administration would mean some reversal of the 20-year policy of planned inflation.

Between the election and the budget message, confidence in the new Administration grew and uncertainties had to do with the change almost disappeared.

For a while it was a one-party system as far as optimism was concerned, and what a party! The only division was between those who expected business to be excellent and those who expected it to be better than that. True, little recessions might occur, but nothing serious because we have so many new monetary gadgets and plenty of new population coming

along, to keep recessions little. In fact, for a while, around the turn of the year we seemed on the verge of acute optimism in a very advanced stage. Forecasts had such a disturbing tendency to look alike that it even disturbed the forecasters.

Dissenters were few, furtive, and apologetic; assurance was at an all-time high and so was our backlog of unfilled complacency. Even now, with a better view of the great difficulties ahead, the thing that rightly bothers many is the persistent scarcity of persons inclined to keep their fingers crossed until they see the national budget under control.

### A Formidable Program

In a special sense, all of the problems ahead are in the area of human relations, and that is where the new Administration seems likely to perform miracles. Better relations between Government and business, better relations with our friends abroad and relations with our enemies that will enable us to regain the initiative in the cold war—these are the main objectives and seem to include all the rest.

Getting back to the important thing, business, which is accepting quite a bit of the responsibility, seems convinced that the job can be done.

The problems are military, economic and political and we should expect no miracles in those directions. What we can hope for, however, are miracles of salesmanship, public relations or whatever you call it, such as the late Dwight Morrow and many others have performed for us repeatedly in history-changing fashion. The only things they had up their sleeves were common sense, sincerity, and understanding.

### Basis for Optimism

There are two principal reasons for the assumption that business will continue good and that any recession will be minor.

The over-all statistical picture shows that spending by Government, business, and consumers continues at

peak levels. National income, industrial production, bank deposits, savings and all indicators of any importance, except prices, are at the highest point in history. Prices are being contrary. The expectation is that this year will see a decline in the cost of living and this is the statistic that bears watching.

The second reason is wide public faith in the capacity and intentions of the new Administration and the common belief that the decisions to be made will be made wisely.

This is an impressive compliment to those newly charged with the greatest responsibilities ever to confront national leaders. But no one knows better than they do that the decisions are still to be made and that, like Portia pondering marriage, "if to do were as easy as to know what were good to do, chapels had been churches and poor men's cottages rich princes' castles."

The statistical picture is something concrete that can be looked at, handled and measured. Right plunk in the center is \$100-billion, the amount of annual spending now coming from governmental sources, Federal, state and local.

This provides an illusion of omniscience about the future and is the reason business forecasters are more willing than ever to get out on a limb. They feel that when it's the Government that's doing the spending, they can depend on it, because the Government handles the money and the books.

Decisions ahead are the opposite of statistics. They are unknown until made and so they are the real key to the business outlook which the whole world is watching. Attention has never been greater because we have struck out on a new course for the first time in 20 years and private enterprise has accepted a large role in this public enterprise and responsibility for whatever success or failure comes.

Consequently, on the big canvas of world history the issue is now joined sharply between communism and free enterprise in a way that was not possible under either of the two previous regimes, who were slow to discover that any real issue existed between communism and us.

This change in our course comes at the top of our greatest and longest boom. Twenty years ago when we turned left, the nation's commerce, industry, and finance were so far down there was no way to go but up.

Today the most that anyone hopes for is that the level can be maintained for a while.

This might be easy to do by continuing the same methods which got us here, namely, huge governmental outlays, a rising national debt and a steady dilution of the value of the dollar. The new Administration, however, is committed to doing the job without going further into debt and poisoning the climate for free enterprise.

### Domestic Highlights

Here are a few highlights of the current business picture which form a starting point for the new chapter.

With business continuing at a high level, the money market is expected to remain relatively firm in the early part of this year. Heavy deficit financing by the



## At the Inauguration

SCORES of out-of-town bankers joined with thousands of others who came to the nation's Capital to attend the inaugural ceremonies and wish the new Eisenhower Administration well.

Two of the largest banks in the city were hosts to the visiting bankers. One is the Riggs National Bank, whose home is directly across the street from the Treasury, and only a short way down Pennsylvania Avenue from the White House.

Another was the American Security & Trust Company, whose banking home is next door to Riggs.

Both banks reserved a block of seats for their guests, so they could watch the inaugural parade go by. Both also set up TV sets so that those who did not have seats could view the ceremonies.

Most other Washington downtown banks set up TV sets and opened their doors for their staffs, although the day was a legal holiday in the District of Columbia.

\* \* \*

On the four pages that follow, we print a number of pictures which were taken in Washington on Inauguration Day.



Treasury seems inevitable later in the year, with possible pressures on the bond market.

Retail trade reached a new record in dollar volume in 1952 and some feel this year may see even higher levels. The total for 1952 is estimated at \$163.5-billion compared with the previous record of \$158-billion in 1951, an increase of 3.5 percent. Easier credit is an important factor. Inventory troubles are fewer, and most prices have dropped below ceilings through normal competition. Continued large gains in savings are in prospect.

American agriculture held its gains in the national economy during 1952, and prospects for 1953 are good. Income in 1952 was about the same as the year before, with profits lower.

Business failures continue to drop. The decline was reversed early in 1952, but since then the decline has resumed.

The value of United States foreign trade in 1952 remained close to the record level of 1951. The 1953 outlook for commercial exports—those of normal trade

(CONTINUED ON PAGE 172)

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PHOTO BY PHILIP HAN

The President waving to Inaugural Day crowds as he passed the corner of New York and 15th where are located the Riggs National Bank, the American Security & Trust Company, and the American Bankers Association Washington headquarters. All three entertained visiting bankers, and it was at these gatherings that the pictures on the following pages were taken



**Hugh Leach, president, Federal Reserve Bank, Richmond, and Mrs. Leach**



**William T. Hannan, attorney, Mrs. Abbot L. Mills, Jr., Abbot L. Mills, Jr., member of the Board of Governors of the Federal Reserve System**



**Robert V. Fleming, president and chairman of the board, Riggs National Bank, Washington; George T. Day, president, Bank of Silver Spring, Maryland; Alfred H. Lawson, president, Washington Loan and Trust Company, Washington**



**T. Howard Duckett (center), chairman of the board and of the executive committee, Suburban Trust Company, Hyattsville, Maryland; Mrs. Duckett; J. M. Christie, vice-president, Riggs National Bank, Washington**

**Charles C. Glover, Jr., vice-chairman of the board, Riggs National Bank, Washington; D. A. McCormick, vice-president and assistant manager of branches, Riggs National Bank; William H. Crehore, Jr., vice-president, New York Trust Company, New York City**



**Frank A. Gunther, executive vice-president, City Bank of Washington; George T. Day, president, Bank of Silver Spring, Maryland; Alfred H. Lawson, president, Washington Loan and Trust Company, Washington**



Howard C. Sheperd, chairman of the board, National City Bank of New York; Robert V. Fleming, president and chairman of the board, Riggs National Bank, Washington; LeRoy A. Lincoln, honorary chairman, Metropolitan Life Insurance Company, New York City; G. A. Price, president, Westinghouse Electric Corporation, Pittsburgh



Arthur Lee Hoff, vice-president, Equitable Trust Company, Baltimore, Maryland; Loring L. Gelbach, president, Central National Bank, Cleveland, Ohio; E. W. Sloan, Jr., vice-president and treasurer, Ogleboy-Norton & Company, Cleveland; Frederick Palmer, vice-president, Provident Trust Company, Philadelphia

J. O. Brott, general counsel, American Bankers Association; William H. Ball, Ball Brothers Company, Muncie, Indiana; Charles H. Buesching, president, Lincoln National Bank and Trust Company, Ft. Wayne, Indiana; Carroll A. Gunderson, deputy manager, A.B.A.





Maple T. Harl, chairman, Federal Deposit Insurance Corporation; H. E. Cook, director, FDIC; D. Emmert Brumbaugh, president, Claysburg Bank of Pennsylvania; C. Francis Cocke, president, First National Exchange Bank of Roanoke, Virginia

James F. Willett, vice-president, American Security & Trust Company, Washington; Mrs. William B. Mehler, wife of assistant vice-president, American Security & Trust; Newell J. Ward, Jr., a director of the Middleburg (Virginia) National Bank; Hans W. Ireland, vice-president and treasurer, American Security & Trust Company

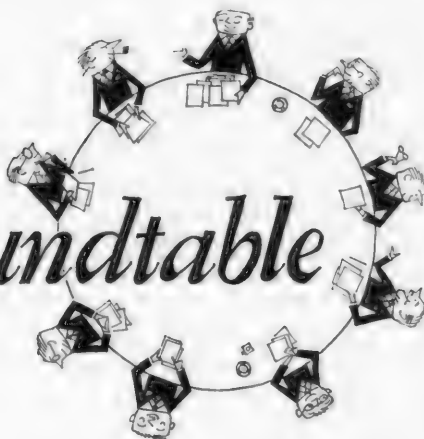


Hulbert T. Bisselle, senior vice-president, Riggs National Bank, Washington; A. F. Tegen, president, General Public Utilities, New York City; Col. Ernest E. Norris, a director of Riggs

# PR

## A Handy Kit of Public Relations Ideas

### *A Bank News Roundtable*



**H**ERE'S an unusual opportunity to sit in at a shop talk on bank relations with the press. BANKING invited financial and business editors and writers for eight outstanding American newspapers to discuss several questions proposed by Lester Gibson, director of the American Bankers Association News Bureau. We've tried to make the discussion realistic, so that in reading "A Bank News Roundtable" you can imagine you're actually attending a panel on this important public relations subject. Needless to say, these experts from all parts of the country could hardly be brought together in person — but here they are in print:

LESTER GIBSON (Moderator), Director, A.B.A. News Bureau . . . PHILIP HAMPSON, Financial Editor, *Chicago Tribune* . . . WILL HERTZ, Staff Writer, *Minneapolis Tribune* . . . ROBERT W. KELLUM, Business-Financial Editor, *Indianapolis Star* . . . FRANK LANGSTON, Business-Financial Editor, *Dallas Times Herald* . . . GEORGE A. MOONEY, Bank Editor, *New York Times* . . . FRED NIENDORFF, Financial Editor, *Seattle Post-Intelligencer* . . . JOHN S. PIPER, Financial Editor, *San Francisco News* . . . SOL SCHULMAN, Financial Editor, *Louisville Courier-Journal*.

#### *News vs. Advertising*

**G**IBSON: Well, gentlemen, let's start by defining news as distinguished from advertising. George Mooney, will you be first?

MOONEY: I think we can leave the definition to the textbooks. Apparently what's meant here is the distinction between news and advertising for the purpose of the publication to be addressed. Thus a bank's advertising and publicity director must decide whether an item is new, and in addition, of sufficient general interest to warrant publication in the news columns, or whether it must be placed in paid space. It seems to me that the decision rests on the item's relation to its field, however specialized. On this basis, an advertising item is one that refers to one product, service, or organization. However, if the item relates the product, service, or organization to its position in the busi-

ness field, it's news. For example, if in a two-bank community both institutions are offering special checking accounts, unless one or both does something most unusual regarding this service, the subject stays in the advertising category. However, if one bank has not been offering the service and decides to do so, that's new and unusual. Moreover, while the service *per se* is not new, the development relates it to the field, indicating to bankers and others interested that the use of the service is spreading, etc.

PIPER: It's difficult to make the distinction by definition. Because nearly everybody deals with banks, almost everything concerning a bank is news. The exceptions are few. Certainly there's no news in an announcement that a bank has safety deposit boxes for rent. That's advertising. Generally speaking, bank advertising should be confined more to the abstract, with the idea of service, stability, etc., emphasized.

## A BANKING Report

GIBSON: A good beginning. Now let's hear from Chicago. Mr. Hampson . . .

HAMPSON: The line separating bank news from advertising is rather thin. In general, announcements of new services or departments, personnel changes, building or alteration plans, etc., are news. On the other hand, descriptions of long-established departments or services—generally in a laudatory vein—should be considered as advertising. Here's an example of how slender is the line: Let's say a bank opens a new small loan department. Obviously, this is information that should be advertised. On the other hand, the fact that a bank is embarking on a new venture is news and should be so treated. One might say: If the editor asks for it, then it's news. If the banker wants it printed, it's advertising.

SCHULMAN: I'd say that *news* (stale or live) is a suitable report about something not generally known. *Advertising* (free or paid) is an announcement promoting something. In between is *publicity* (cheap or dignified)—information that has news value and at the same time promotes something.

NIENDORFF: You can't apply a hard and fast rule. Frequently a development can come under both headings. For instance, if a bank with headquarters in a metropolitan area acquires as a branch a long-established bank, it's news. Yet it's also a proper subject for advertising by the bank. But broadly speaking, anything deliberately calculated to promote the business of a bank is advertising, whereas an event not especially calculated to promote business is news—such as changes in personnel.

GIBSON: Indianapolis wants the floor. Go ahead Mr. Kellum.

KELLUM: I'd say that news is the report of a happening of general public interest, as distinguished from the presentation of the advantages of a specific service or product through advertising. The determination of news, as such, rests with persons outside the bank or other business. At the same time, it's important that members of the bank staff know, in general terms, what events will be accepted as news by those outside the organization. Relationship of the bank to the community is a continuous thing, remade daily. Constant attention to its building should be an important function of bank staff personnel.

HERTZ: I suggest that in theory news informs while advertising sells, although in practice the two often overlap. As far as a bank is concerned, news is information about the bank which is of general public interest, regardless of whether it's favorable to the bank. It falls roughly into two categories: (1) information about a specific change or development in the bank's activities or organization; (2) information of a more general nature about an unusual bank activity or personality. Bank advertising, I'd say, is material designed primarily to increase public use of the bank's services.

LANGSTON: News is timely information primarily of interest to the reader, presented without particular reference to how it may affect the subject of the information. On the other hand, advertising (paid or unpaid) is such information presented from the viewpoint of the person or organization closely associated with it, for the purpose of achieving some sort of gain—increased sale of a product, votes for a political



Lester Gibson  
Director, A.B.A. News Bureau



George A. Mooney  
New York Times

party, or the like. There may be times when the same facts are both news and advertising matter, although the method and purpose of presentation usually will be the determining factors.

### News Sources

GIBSON: With that preliminary disposed of, the next question is "*To whom do you go to get bank news?*" This one won't take much time. What do you say, Mr. Hampson?

HAMPSON: Well, in Chicago financial writers go to the bank officer or individual assigned to handle publicity or public relations. Sometimes this person is a vice-president, sometimes a junior officer. Occasionally, if the occasion is sufficiently important, a newsman may go directly to the president or other responsible officer.

LANGSTON: There's news every day at most banks. The problem is to find and develop it. This means developing a news source. These sources vary from bank to bank, and from story to story. I doubt that any hard and fast rule can be laid down as to whom to approach for business or financial news at a bank. When news is breaking fast I usually decide whether I can get the answers I need first from the president or the public relations director, and act accordingly. Although bank presidents are busy, I usually have little difficulty in reaching the man I need.

HERTZ: It depends on the bank. Larger banks have advertising and public relations departments which either can obtain requested information or suggest which officials would be the best source. This is, of course, the optimum arrangement for the newsman who appreciates a time-saver—as long as the public relations personnel understand the newspaper's needs, are reliable, and don't cast themselves in the role of censors. In smaller banks the problem is more difficult, for they usually don't have officials experienced in dealing with the press. Usually, over a period of time, I pick one officer with whom I find it easy to work and make him my regular contact. My suggestion to smaller banks would be: Name one official to handle public relations—in addition to his other duties—and to learn, through practice, the kind of information newspapers want.

GIBSON: Let's hear from Mr. Kellum.

KELLUM: The newsman should go either to a public relations officer, the president, or an officer familiar with the subject at hand.

PIPER: I go to the president, any officer concerned, or the public relations manager.



## A BANKING Report

NIENDORFF: Anyone connected with a bank, from the highest officer down. So-called "lesser personnel" frequently offer tips or clues to news developments. However, a financial reporter is presumed to have discretion, and important information received at the lower rungs of the personnel ladder should not be translated into a news story until it's been verified and approved by responsible bank officers.

GIBSON: Mr. Schulman wants to report.

SCHULMAN: Generally, if the bank is small, we ask its president for news. If large, we ask the head of the department handling the particular activity we're reporting. If a bank has someone to handle its public relations, he's the fellow we call. And if a bank funnels its news through a public relations firm, we ask that firm. Incidentally, we usually get news about bank stock dividends more quickly from brokers and securities dealers than from the banks.

GIBSON: Well, Mr. Mooney, you were first with Question 1. Looks like you were last with Question 2.

MOONEY: A newsman, like a salesman, I suppose, is building his acquaintance constantly. Some persons, because of their temperaments as much as their positions, are natural news sources. Obviously, they're the people the reporter cultivates. In some banks the president is the best or only source of information; in others, vice-presidents; in still others, the advertising manager. To get bank news I talk to everybody I know who knows banking. One conversational bit frequently leads to another, until a good "lead" is developed. Then, armed with some information, I call upon the person most likely to have the story. Finally, I check my information with the principals.

### Single Spokesman?

GIBSON: The third question is rather closely connected with the first: "Should a bank have a single spokesman?" Mr. Niendorff, supposing you kick off this time.

NIENDORFF: Well, I'd say that a single spokesman is all right, provided this doesn't imply that a financial reporter must limit his contacts to the designated spokesman. A banker can't be expected, of course, to function as a news reporter. Hence the practice in some banks of permitting department heads to act occasionally as spokesmen for happenings in their departments. However, when it comes to official releases or so-called handouts, the custom of having the president or other designated officer appear regularly as spokesman certainly is the correct procedure.

PIPER: My answer is: Absolutely not! There are banks which insist that everything go through the president or public relations department. This is a mistake.

SCHULMAN: From a newspaperman's viewpoint, no bank should have a single spokesman unless it can guarantee that he'll never be out of town, never be in transit between office and home just before a deadline, never be out in the evening, never be too sick to be bothered. And also, unless the bank can guarantee that the always-available single spokesman is the best-informed man about all details of all matters in all departments. Another point: Little stories can be good stories. Where there's a single spokesman, many little stories never get told. He concentrates on the big ones.

GIBSON: Now, Mr. Kellum, what do you have to say?

KELLUM: A single spokesman should be designated, but only if he's ready to refer questions quickly to the person best able to answer them. The spokesman should have high officer status, by all means, so that he's familiar with major actions of the bank and with all personnel who might be called on for comments to assist outsiders in obtaining the desired information.

HAMPSON: It's well for a bank to have a spokesman with full authority to speak for it. Some of the larger Chicago banks have several persons in their public relations or advertising departments who handle publicity. Sometimes the top man in public relations is a vice-president. More often he's the advertising manager. Whoever he is, it's essential that the bank's spokesman be an able, tactful person, with full authority to speak.

MOONEY: My answer is "Not necessarily." In any event, every bank, whatever its size, should establish at some officer level a program of press relations. And the higher the officer level, the wider, so to speak, will be the channel—the more force it will carry, the greater distance it will flow. In smaller banks, this may mean that the president himself must take the responsibility not only for dealing with the press, but developing the bank's press relations.

LANGSTON: The best answer is probably a qualified "Yes." Actually, every bank has a spokesman—its chairman or president. He may or may not delegate another officer to speak for him. Usually, in a large bank, it's desirable to have a spokesman, usually the public relations director. He should be at the policy-making level, familiar with top personnel, operations and policies. Preferably he should be a vice-president, in no case a mere glorified messenger boy. And in no case should he stand between the press and the head of the bank when a clear, personal statement is desired from the senior officer.

GIBSON: Mr. Hertz, what do you think?

HERTZ: Once again, it depends on the bank. It's wise for a smaller bank with relatively simple operations to have a single spokesman. He can be any officer, provided he has the time and the interest to learn newspaper needs. In larger banks there should be one or two public relations specialists to handle matters of routine interest, or those not requiring specialized banking knowledge. On more complex questions, these specialists should be guides rather than spokesmen. For all banks I suggest: Whoever the spokesman or spokesmen, their business and home telephone numbers should be available to the newspapers, and they should be ready at all reasonable times to assist in supplying information. Also, the bank's president, whether or not he is the spokesman, should be ready to answer newspapers' questions on matters of major importance.

### Telling the Public

GIBSON: Here's Question No. 4: "What obligation does a bank have to keep the public informed about its affairs?" Want to take it, Mr. Schulman?

SCHULMAN: Except for statements which government agencies order banks to publish, a bank has no obligation, unless its stock is publicly owned. In that case, the bank has an obligation to give the public fair, up-to-date reports about its affairs so prospective buyers, sellers or handlers of the stock won't be handicapped.

Some bankers think that news items about their affairs might reveal too much to competitors. In actual practice, banks seem to know, anyway, what their competitors are doing.

**HAMPSON:** Because of its important place in the community, a bank has a strong obligation to keep the public informed about its affairs. The public deposits its savings in a bank and borrows from a bank. Certainly the public is entitled to information about the bank's financial position and its policies.

**MOONEY:** A bank as a public service institution has a total obligation to keep the public informed about its affairs. Bankers tend to underestimate their influence in the community. In England and Canada the statements of the chairmen of the big banks are given wide publication and distribution. Here, I think, too many banks have failed to tell their stories to the public and their customers. They have often avoided taking a position on economic questions; but more than that, they've neglected their obligation to explain more about their own business operations. How many people, for example, yet understand that during recent years the banks were caught in a vise of Government-controlled low interest rates, with credit restrictions, and rising costs and increased taxes?

**LANGSTON:** Although certain requirements are prescribed by law, these are the minimum. In this country the public has traditionally looked to banks and bankers for business and civic leadership. In the past, banks have sometimes cultivated a cold, austere atmosphere, symbolized by hard, cold marble and polished brass. The alert, aggressive banker, though, realizes that the bank is a part of the community and that every resident is affected by the bank, just as every resident affects the bank, directly or indirectly. In a sense, the bank is the public itself. Keeping the public informed helps to build confidence not only in the bank but also in the system for which the bank stands.

**GIBSON:** Mr. Niendorff, what do you say on this one?

**NIENDORFF:** Beyond the periodic statements of condition and the annual report, I do not feel that a bank has any "obligation" to keep the public informed of its affairs. However, to maintain good public relations and create the atmosphere for the development of new business, that bank follows a wiser course which keeps itself before the public in both advertising and news.

**HERTZ:** Banks, like newspapers, are public service institutions. Because their responsibilities to the public far exceed those of most other private companies, they are far more obligated to keep the public informed of their operations and problems.

**KELLUM:** In my opinion, a bank has a very great obligation to keep the public informed because it is a cornerstone institution in our system. A bank should, in fact, always be seeking a means of explaining its operations so that the public will have a better understanding of its problems. It should seek simplification in this job of explanation. There are a number of ways to advance such a program. News stories are just one. Annual or semiannual "Education Days," when teachers are guests, have proved valuable, for example.

**GIBSON:** Mr. Piper, a word from you?

**PIPER:** I think a bank has a strong obligation. Because a bank is a public institution, the need for disclosure of affairs concerning banks is almost as great as for Government bureaus to be open and above-board.

## News in Your Bank

**GIBSON:** The next question is right down your alleys. "Please suggest some recurring subjects of news value in a bank." Will you open, Mr. Hertz?

**HERTZ:** How about major financial transactions (mortgages, loans, etc.); research carried on by many larger banks on community, economic, or industrial problems; unusual activities or personalities (for feature stories); statements by qualified bank officials on economic conditions and current problems? Also, I suggest information of interest to prospective home buyers, small businessmen, and others on such subjects as interest rates, availability of credit and other everyday problems. This sort of information is almost ignored by banks; they might take a lesson from savings and loan associations, insurance companies and other lenders. And then, of course, personnel and interest rate changes, and new or expanded services, make news, too.

**LANGSTON:** Newsworthy subjects include the periodic banking totals—clearings, deposits, resources, loans and discounts, changes in capital structure and interest rates, expansions, top personnel changes, dividends, stock transactions—and such news as may originate in a special department, but not deal directly with the bank itself.

**HAMPSON:** Banks are good sources of interesting news. For example, personnel changes, promotions, retirements, etc.; establishment of new departments or services; wills filed for probate; appointment of banks as registrars and transfer agents for corporations; bank participations in security purchases; bank comment on business conditions, particularly on spot news events such as the Canadian dollar selling at a premium; changes in interest rates; digests of studies by statistical departments. And visits by distinguished foreigners to bank foreign departments can produce interesting stories.

**GIBSON:** A good list, Mr. Hampson. Want to add any, Mr. Schulman?

**SCHULMAN:** New businesses coming to town; old businesses selling out; businesses expanding; real estate transactions; tips on prominent industrialists or financiers who are coming to town; localizing New York reports on changes in interest rates; ditto with Washington reports of Government agencies; comments on changing trends; speeches bankers are going to make (if the speeches aren't repetitions of what's been said!)

**KELLUM:** Condition statements, of course, have news

Philip Hampson  
Chicago Tribune



Robert W. Kellum  
Indianapolis Star



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value, but all too often no explanations accompany them. It seems to me that banks miss opportunities here. The dollars and cents should be made to stand out as guideposts for the general business development of the community. At least there seems to be a chance that a good, clear text with the statement would improve public understanding. Perhaps most newsworthy subjects in a bank aren't recurring, but are guided by events of the day—just as are newspaper stories. This makes it even more important that a bank have a good public relations officer.

NIENDORFF: I might add such things as trends in loans and deposits, creation or acquisition of new branches, and indications of trends in public thinking, as disclosed by conversations with customers.

GIBSON: George Mooney, what do you say?

MOONEY: I say that everything in a bank, as in any institution, is news. It couldn't be otherwise. Wherever there is human activity, there's bound to be news. I'm not going to list the possibilities, for the job has already been done in a first-class manner, not only in this discussion, but in the A.B.A.'s series of public relations booklets. Pages 12 and 13 of Booklet No. 2, *There's News in Your Bank*, contain scores of suggestions.

PIPER: I suggest that a bank should pay particular attention to informing the press of promotions. Every young banker must have 1,000 friends. It helps the bank to have these people who know the man being promoted read about it in their paper. It's also good for the individual's morale. Send the press his picture. And when a new director is elected, give the papers a photograph and brief biographical sketch. Here's another thought: The average person is more interested than the banker probably realizes in the trend of loans and deposits in his bank. When the figures are ready after each call, clear, readable stories, giving comparative data and percentages, should go to the press. Again, has a vice-president of your bank just returned from Europe? If so, let him have a press conference and tell his story. The average newspaper subscriber will read with interest the report of a man he knows. The resultant publicity creates in the public mind the impressions that the officers of your bank are widely traveled and aware of world problems. I might also suggest that the annual Christmas savings total, and reports on drive-ins or other innovations are newsworthy, too.

### Are New Services News?

GIBSON: That was certainly comprehensive coverage. Now how about this: "A new service should be advertised, of course. Would you also accept a news story about it?"

PIPER: My answer is, "Yes, usually." But if a bank announced a new service that other banks were already giving, that would scarcely be news.

KELLUM: Yes, a news story is accepted on a new service. It's important to the public; it's news. The advertising can be directed to a more specific phase of the service than can a general release.

SCHULMAN: We're glad to get stories about new services, especially if the services are new in our area rather than at a particular bank. For example, the first telefax machine at a Louisville bank rates a picture. Installations later at other banks rate only a squib—

the shine is off the gadget. The first bank to have a system of insuring loans, the first to have a plan linking savings accounts and life insurance, etc., get more detailed reports than the late starters.

HAMPSON: We'd certainly accept a news story about a new service. A case in point was the establishment of a small loan department by The First National Bank of Chicago. We featured the story, which was also widely advertised by the bank.

GIBSON: Mr. Hertz?

HERTZ: I'll just say, "Certainly."

LANGSTON: While new services are and should be advertised, I frequently accept news stories about them. After all, information can be both news and advertising. The approach, however, must be different. And editors are very reluctant to accept a news story about a service after it's been told in an ad.

NIENDORFF: In my opinion a new service would be news. Not too many years ago a few bankers took a short-sighted view by failing to advertise new services, while expecting a news story. Newspapers eventually frowned on this practice, and unless such announcements were accompanied by paid advertising they were thrown in the wastebasket. Papers, as well as banks, need income to live. Department stores and other retailers didn't expect newspapers to devote their news space to advertising a store's merchandise. Almost without exception today, banks entertain this more enlightened point of view.

MOONEY: Yes. But again, it must meet the requirements for news, as previously mentioned. Incidentally, when in doubt, send the item along. Perhaps the editor will see the relation or industry application of the item more clearly than does the banker.

### "Difficult" Situations

GIBSON: Here's one you men can offer some suggestions on: "How should a bank handle news of a defalcation or any other difficult situation?" George Mooney, you seem to be warmed up—go ahead.

MOONEY: By telling everything it possibly can about the details of the case. Not long ago a banking official was discussing this with me and he recalled a situation in which he was a participant some years back. At that time, he said, the bank with which he was then associated found itself in difficulty, but the president decided to spare no details. The press was called in, and my friend and the president explained the situation at length, displaying documents and answering all questions. At the end of the meeting, my friend recalled, one of the reporters said: "You've spoiled the story—it's all here!" That meant, in effect, that the story, lacking new angles, was ended the day it began. In any event, banks should remember that when they make things difficult for a newspaperman, they don't discourage him; instead, they throw down a challenge. The reporter becomes twice as determined to get at the facts and keep the story alive. He expects honest, straightforward treatment, just as bankers do. When there's a defalcation or other trouble, don't resist so that your story becomes a series of headlines. Bring the newspaper people in and tell them everything you possibly can, including the maximum figure of possible loss. If you hold back information on the amount of the loss, or if the newsman suspects you're dodging



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Left, Sol Schulman, Louisville Courier-Journal; right, Fred Niendorff, Seattle Post-Intelligencer; far right, John S. Piper, San Francisco News



and that the amount is larger than you've indicated, he may feel free to make the well known sky the limit. His figure will make the headlines—and that's the figure the public will remember.

KELLUM: This sort of news should be handled in a straightforward manner. It should give the facts and get the case out of the "mystery" class, thus ending rumors and creating more confidence for the bank. This method sets forth clearly the fact that the bank is an institution made up of many individuals, all of whom, except the person involved in the case, are working for the customers honestly and efficiently. If such news is handled properly, the bank can create a better impression for itself than its officers may realize.

HERTZ: Banks, as quasi-public institutions, are morally bound to disclose all information on unfavorable situations, which are, of course, the severest test for any bank, public relations-wise. In the long run, however, a bank will create the most favorable public impression by working in cooperation with the newspapers, whose business is giving the public the most accurate, fairest picture possible.

GIBSON: What's your opinion, Mr. Piper?

PIPER: Give all the facts at once. If it's a large defalcation, depositors may be worried. I suggest that any banker talking to a reporter about a defalcation always ask the newsman to include in his story the fact that the theft is covered by insurance—assuming, of course, that it is. The bank will be surprised to find how cooperative the press will be with this suggestion.

NIENDORFF: This kind of news should be discussed frankly with the financial reporter or anyone else in authority on the paper. There are involved, in these situations, possible embarrassment to the bank and the newspaper's obligation to be a newspaper. But in most cases discretion and common sense will result in a mutual agreement on how and to what extent the event should receive news treatment.

SCHULMAN: A bank should handle the news in a strictly factual way and as promptly as possible. Refusing to talk to a newspaperman about it simply delays him, sends him to a less-informed person, and causes him to wind up with a story in which the bank's side is either missing or weakly represented.

HAMPSON: Frankness is usually the best policy. Attempts to cover up a situation often cause suspicion that the happening may be more serious than it is. If a case is really bad, news about it will leak out. A banker can get a much more favorable story in a defalcation case if he'll be frank and tactful. Usually stories involving crime are handled by city desk reporters, not financial writers, and frequently the former view bankers with a suspicion not shared by the

financial editors or writers. It's a wise banker who cooperates with reporters in stories involving crime.

LANGSTON: Difficult situations arise in the best of banks, just as in any other business, or in government, school or church. Handling them requires just as much tact and judgment. Nothing a bank can do will cost it as much prestige and confidence in the eyes of press and public as an attempt to cover up such a situation through flat denial, bluster, or business or advertising pressure threat. Usually these situations can be handled by calling in members of the press—all the press, and preferably at a fairly high level—and having a responsible spokesman for the bank present the facts and ask for cooperation. This move must be initiated by the bank, if possible. It need not be a press conference, but may be a series of informal meetings.

### Releasing News

GIBSON: Good. Now, Mr. Schulman, supposing you start the answers to the next question: "Do you like to get bank news in oral or written form? If the latter, please suggest briefly how the release should be prepared."

SCHULMAN: We like to get the news in the quickest dependable way. A phone call will do, ordinarily, but if there are many figures or names, we like to have the call followed by a written memo so that the data can be checked. The written releases that please us most are those reaching us ahead of publication date, those we don't have to call for, those which tell the news without repetitiously glorifying the bank's president and without going into a long-winded review of the bank's history, and those which don't editorialize about what a noble thing the bank is doing, say, for its employees or the public.

NIENDORFF: Preferably in written news story form when dealing with routine developments, because this is a time-saver. Extraordinary happenings, however, should be discussed orally so that the reporter has the opportunity to develop all the news angles. Although the written report saves time, I know of no instance in which such reports aren't subject to rewrite in the editorial office. Newspapers have a justifiable aversion to printing "canned" copy.

HAMPSON: I prefer to get news in written form so as to avoid errors that creep in from telephone conversations. The written version should be dated and carry a release time. It should be simply written and contain all pertinent details. It's well to include the names of persons who may be called for additional information, if there are any doubts.

MOONEY: Either way. If written, the release should contain all the facts that might be needed for the news-



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paper story. News value and accuracy are much more important than style. All good releases should be terse and should answer the old questions, "Who, What, When, Why, Where, and How." The releases should be typewritten, and where quantities are required they should be neatly mimeographed. Use only one side of the sheet, start the first page toward the middle, write "more" at the bottom of the page, if that's the case, and indicate the end of the release.

LANGSTON: Usually the value of the news and the time element should determine the form chosen. For routine news I usually prefer the written form, which is always rewritten by our staff as a matter of policy. For fast-moving news the time factor usually will not permit the written method. Prepared releases have the value of providing a record to which the newsman may refer in preparing his story. The oral form, on the other hand, offers an opportunity for clarifying questions. In some instances, particularly complicated transactions, a combination of the two may be used.

PIPER: I prefer the written form, in newspaper style. The release should be typed on white paper, double spaced. However, in the event of a spot story more important than routine items, the bank should telephone the information to the newspapers. An example is the resignation of the president or the election of a new president.

HERTZ: Generally speaking, in written form, which provides a check on spelling of names, titles, statistics, and quotations. The release writer should not try to simulate newspaper style unless it comes naturally to him. We always rewrite a release, as a matter of policy. The release should stick to the facts. Nothing irritates a reporter more than wading through a maze of empty phrases and wordy quotations to get at the basic story. A brief interpretation of the story's importance is always welcome as a help in evaluating newsworthiness. The writer should sign the release and give his telephone number in case the newspaper has any questions.

GIBSON: Mr. Kellum, do you prefer the news in written form?

KELLUM: Yes. The release should be close to newspaper style. Any bank officer may acquaint himself with this style by paying attention to general news stories, and how they're put together. Too few do this.

### The Time Factor

GIBSON: That was good coverage. Now, let's discuss for a moment *the time factor in handling news*. Mr. Hampson?

HAMPSON: Time is of great importance to newspapers. Obviously, every item that comes in can't be handled at one time. If possible, writers should be given news in advance, with a release date. This assures better handling by the papers.

NIENDORFF: Except in big news developments, the time factor is seldom a consideration. But where the news might land on page 1, or requires more than ordinary treatment it would be well for the bank to inform the reporter what's coming up so that he can arrange for space and display.

KELLUM: Prompt handling of news is important. A bank officer having public relations duties should be informed regarding the rivalry among newspapers,

their deadlines, their rules on stories. He should know that they want the information when the story breaks, not days later.

HERTZ: I think few businesses realize they can't have their cake and eat it, too, in the matter of timing releases. If a story is released to morning papers, chances are the PM's either will ignore it or publish it in condensed form. The basic time question the bank must decide, then, is whether its news is more suitable for morning or evening release. This depends on the type of the news and the papers. Publication time should be stated on the release: "For release Friday A.M." or "Friday P.M." or "Sunday A.M."

PIPER: First releases on routine items should be divided 50-50 between morning and afternoon newspapers. Important spot news should be released immediately, regardless of when it breaks.

SCHULMAN: The fact that a banker gives news to a reporter before a deadline is no guarantee that the news is submitted early enough. The reporter may have to give priority to more important news, and may not have help available to share the work. Perhaps the bank's story should be illustrated with a photograph. The making and processing of a picture take time. If a reporter is certain that his competitor won't get the story before he prints it, he'll gladly take time to do a more polished job.

LANGSTON: There's nothing so dead as yesterday's news. Daily papers may have one or several editions, each with a separate deadline. No story is a good story if it doesn't get into the paper. Bankers, particularly public relations directors, should know the deadlines. Many times when more or less routine board meetings are held near deadlines, I accept advance releases on a "hold for telephone release" basis. Some bankers are reluctant to use this system, usually because of lack of confidence in the newsman, or in newspapermen generally. We have never broken such a confidence. The whole matter is one of bank-press relations. We realize that if a release time is broken we can't count on sharing a similar confidence in the future.

MOONEY: When a release is ready it should be delivered to the newspapers in time to be published on the date selected. Don't try to garner favor by letting one paper "in" on the story in advance of the release date. If you keep faith with newspapermen, they'll keep faith with you, and there's a definite advantage in getting stories to them in advance of the actual action by the bank's board or of the release time. The editor is thus alerted that you have something to say.

### "Cultivating" the Press

GIBSON: A question is coming up, gentlemen, about which something really needs to be said. *"One hears a lot about 'cultivating' editors and reporters. What do you think of this practice?"*

LANGSTON: Well, newspapermen are people and bankers are people. "Cultivation" is a two-way street. Newsmen like to think of themselves as competent professional people and as men of integrity. Most of them are. A newspaperman resents an approach that indicates a banker thinks otherwise and wishes to cultivate him for whatever publicity or free advertising he may achieve. On the other hand, and particularly in the Southwest where friendship is taken for granted,

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a newspaperman welcomes a banker's honest efforts to know him better. He welcomes friendship with the men with whom he deals. But he must merit friendship and confidence, and he knows best whether he meets this requirement.

HAMPSON: I don't like that word "cultivating" in discussing relations between bankers and newswriters and editors. Obviously people get along better when they know each other. Bankers who know and trust newspapermen—and vice versa—can clear up a news story in a moment. One good way to get acquainted is around a lunch table. Some Chicago banks have invited newsmen to evening events. This has been very effective in bringing about a better understanding and friendship between two groups which can be of great mutual help.

MOONEY: This is an amusing question. Public relations representatives of industry spend most of their time "cultivating" newspapermen with only moderate success, depending upon the quality of the news they have to offer. Just because a press agent is a nice guy or buys a lunch is no insurance that his "news" will appear the next day. On the other hand, the work of these people is frequently effective, because they provide a channel for reaching the newsman most concerned with the material they have to offer. As for banks, it's my opinion most of them are so unaware of this modern technique of merely reaching the newspaperman most interested that they rarely "cultivate" anybody who can be of advantage to them in placing items in the news columns. Incidentally, where the item offered is real news, the practice of cultivation is entirely legitimate and no less respectable than the "cultivation" of any other desirable banking opportunity.

NIENDORFF: This depends upon what's meant by "cultivating." It's primarily the business of the financial news reporter to establish and develop contacts in a bank. This means he should be on friendly terms with as many bankers as possible. By the same token it should be helpful to the banks to establish friendly, intimate relations with the reporter and such newspaper executives as the managing editor and publisher. This, after all, is merely an extension of the rule that you can do business more satisfactorily with someone you know well than with a stranger.

SCHULMAN: "Cultivating" a newspaperman depends on his personality and the personality of the "cultivator." A strictly business attitude is the best general policy. A patronizing attitude may embarrass one newspaperman, amuse another, and be welcomed with pride and appreciation by a third. High up on the list of *don'ts* is this: To "cultivate" a reporter or editor, don't give your news to the paper's owner or publisher all the time, instead of directly to the newsman on your beat.

HERTZ: A few weeks after I joined the *Tribune* as a business writer the First National Bank of Minneapolis invited me to take an informal tour of the bank with some of its officials. I'll always be grateful. The experience gave me a wonderful "feel" of the bank's operations, and enabled me to meet some of the people I'd be writing about from time to time. I'd certainly welcome a refresher course from the First National or any other bank. I think banks might use this tour technique to great advantage for a variety of groups.

GIBSON: As a matter of fact, Mr. Hertz, many banks are doing just that, these days. It's good public relations. Now, Mr. Piper, what's your reaction to this "cultivating" question?

PIPER: It can be overdone, but there's no reason why bankers and editors and reporters shouldn't know each other closely on a friendly business basis that will achieve a mutuality of interests.

KELLUM: I think "cultivating" is usually over-emphasized. It's most helpful to know the men in the bank who are its spokesmen. They can help on non-banking business news. Such practices do not cause undue influence. A good newspaperman does his job as he sees it to do.

## Your Press Relations

GIBSON: Gentlemen, that was fine. And now we're at the last topic—one that you can shed much light on: "Please suggest a few ways in which banks can maintain friendly relations with the press." Mr. Piper?

PIPER: Always be open and 100 percent honest with newspapermen, and your banks will have fair treatment in the press. If it's necessary to conceal something, don't say you don't know; admit you do know, but say you can't discuss the matter. Avoid talking off the record as much as possible. Don't depend entirely on a public relations manager to build up your friendship with the press.

MOONEY: Maintenance of friendly relations with the press is about as difficult as the maintenance of friendly relations with any other people whose goodwill you want. In normal, everyday relations with associates and customers, the usual practice is to develop the social opportunities which present themselves. And, where one's interest is sufficiently strong, he acts accordingly and makes opportunities. Thus press relations are the same as employee relations, customer relations, human relations. It's as simple as that.

KELLUM: One or more people on the bank staff should be ready to answer questions on call. Explain your major moves clearly. Circulate customer publications or authentic business reviews which the bank may prepare. I might say that the banks are doing a better job along these lines than ever before.

HERTZ: I'd welcome more opportunities to talk informally with the many experts in banks—specialists in mortgages, trade, bonds, etc. These discussions might only be for orientation, or they might lead to

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Frank Langston  
Dallas Times Herald



Will Hertz  
Minneapolis Tribune





Mr. Totton

# Bank Public Relations for Youth

FRANK M. TOTTON

*The author is chairman of the Public Relations Council, American Bankers Association, and vice-president of The Chase National Bank, New York.*

THE age-old axiom that each new generation must find its own way in the world is as true today as it ever was. Youth still must pass the ancient tests of trial and error, and in the process it often clashes with the preceding generation. We all know that the key to this problem is understanding. But knowing what the key is and finding it are two different things.

It is especially important for us in banking to unearth this elusive key, for the whole future of America's banking institutions depends on our reaching an understanding with the nation's youth. What young people think of banks and bankers may not reflect itself in our business today, but tomorrow it may well determine the fate of our profession.

The fact that the 35,000,000 students now in school are the potential bank customers of tomorrow is not the only consideration. They also are America's voters of tomorrow, citizens who may one day say whether banks will remain free institutions in a free economy or become chattels of a socialist state.

Like it or not, banks are the show windows of the financial world. They are the only institutions in the financial world with which millions of our citizens ever come into direct contact, and so we are largely responsible for the opinions these people hold of that world. It is squarely up to us to dispel the many myths about business and finance that have come to be accepted as facts by a large segment of our population.

Since the question of reaching an understanding with youth is so vital to all of us, how can the banking profession best solve this problem? Actually, there is only one answer to this—public relations. For only through a practical, day-to-day program of public relations (or "human relations," if you prefer that term) can banks hope to make the younger generation appreciate the importance of our business to the nation's economic well-being.

There are any number of ways banks can go about setting in motion a public relations program for youth.

The type of program employed depends on the individual bank and the community it serves. It's up to you to determine the course of action best suited to your institution and your town.

However, in almost any community, large or small, the initial problem is to establish contact with the younger generation. Since young people seldom come directly in contact with banks and bankers, we must take the initiative and find ways of meeting them on their own grounds—their homes, schools, and recreational organizations.

The school is obviously the best starting point. Here youngsters are segregated into age groups, a simple fact that will help you in getting banking's message across. The interests of children in the lower school grades are far different from those of juniors and seniors in high school and you will have to gear your public relations program accordingly.

## Now's the Time to Start

Naturally, it is more difficult to interest youngsters not yet in their teens in banking's varied services to the community. But they are not too young to realize the benefits of personal thrift if approached properly. A school savings plan, perhaps even a school Christmas Club, are good introductions to banking. There is nothing new in these plans, but are you certain your bank has exploited their full possibilities? If it hasn't, now is a good time to start.

On the high school level, a bank should find it easier to reach the younger generation. High school students are at an age where they can begin to appreciate banking's role in the nation's progress and the important part banks play in their communities. But they will not appreciate these things unless you show them.

In order to become acquainted with these students, a bank must, of course, first obtain the cooperation of teachers and other school officials. It might be advisable for a senior officer in your bank to talk over plans for his organization's youth program with the principal or superintendent of schools. They undoubtedly can make valuable suggestions to help you reach your youthful audience.

By working closely with school officials, you may be



## THE RETURN

★ *The dividends or interest from your bank's investment in these young people may not be shown in your annual or quarterly statements. But they will show tomorrow in a better America.* —Mr. Totton ★

able to arrange an educational program that can be integrated with the school curriculum. Special classes in banking can be fitted into regular courses in book-keeping, economics, and related subjects, with bank personnel acting as instructors. Students' tours of banks and bank sponsorship of youth work exhibits, which may be displayed either in banks or elsewhere, will provide further opportunities for getting acquainted. Bank officers should avail themselves of every opportunity to speak at school assemblies or commencements. They can also participate in teacher forums and vocational guidance programs. The Public Relations Council of the American Bankers Association will supply prepared talks, motion pictures, and literature for nominal fees.

**It's More Than Talks, Films, Booklets**

To win the confidence of youth, however, bankers must do a great deal more than merely talk to young people, show them films, and circulate literature on banking. A bank should be prepared to demonstrate by concrete action that it is vitally interested in the welfare and future of these customers and citizens of tomorrow. Where possible, banks should help finance youth projects in their communities. Banks can offer prizes—perhaps even scholarships—for citizenship, school leadership, athletics, and scholastic achievement. They can also sponsor and offer awards for essay and speech contests in the schools.

These gestures of friendship will go a long way toward achievement of understanding between the younger generation and the banking profession. But this phase of your program should be effectively supplemented by helping to give young people a real stake in their community and in your bank—and a foothold on their own future. There are several proved ways to do this: in urban areas through encouragement and support of Junior Achievement projects, and in rural communities through 4-H Clubs, Future Farmers of America, and similar groups.

**Rural Bank Activities**

Many rural banks have learned that farm youths can gain a real appreciation of banking by being dealt with on an adult level. Besides helping in other ways with 4-H and FFA projects, banks have made numerous loans to individual youths to help them raise livestock, poultry, and crops for farming contests. Although immediate profits to the bank are seldom forthcoming from such loans, they have helped bankers establish lasting friendships with their future customers.

A bank in Arizona has gained the respect of many youngsters and the gratitude of the whole community by making loans to students of high school and college

age. Standard interest rates are charged for these loans and the profits from them are donated to a special fund for local youth organizations.

It is obviously more difficult to establish a working relationship with young people in larger cities than in small towns. But support of Junior Achievement banks by a number of banks in big cities has given hundreds of teen-agers a chance to see just what makes banking tick.

There are now more than 30,000 students participating in Junior Achievement projects in hundreds of communities. These youngsters conduct a variety of businesses, which are set up as full-fledged junior corporations. They sell stock, keep the usual business records, report to shareholders and pay fees to the national JA organization in lieu of Federal taxes. Some 7,000 businessmen now serve as volunteer advisers to Junior Achievement firms, which must be sponsored by adult companies.

**Junior Banks**

While JA projects have been thriving for some years, junior banks are relatively new. These banks, which like the JA companies are operated mostly by students of high school age, use the facilities of their "parent" institutions to service the accounts of JA customers. They are organized with a board of directors and operating staff, roughly along the same lines as their sponsoring banks.

Thus far most of these JA banks have limited themselves to servicing accounts, but some are considering making loans to their customers.

Although the Junior Achievement movement has enjoyed a remarkable growth during the last decade, a great deal more could be done to encourage its spread. In communities where JA firms already are established, bankers could well explore the possibilities of sponsoring JA banks if there are none now. And in the thousands of cities and towns where JA is as yet untried, bankers could well take the initiative and support these worth while projects. There are thousands of enterprising youngsters who would welcome the opportunity to show what they can do in the big world of business.

**Possibilities Unlimited**

The possibilities of creating an atmosphere of goodwill and understanding between banking (specifically *your* bank) and the youth of your community are actually unlimited—and perhaps largely unexplored as of this moment.

But a dynamic public relations program aimed at the younger generation can quickly be set in motion.



# HERE Are Some Good P.R. Ideas...

## *Bank Takes Mischief Out of Hallowe'en*

*The idea of diverting youngsters' Hallowe'en enthusiasms by decorating store windows with water color pictures is now fairly common, but to the best of our knowledge the story below reports the first occasion when this constructive practice was sponsored by a bank.*

You might not think that a banking institution in a large city could do much about curbing minor acts of vandalism such as soaping a city's shop windows on Hallowe'en. But George J. Watts, vice-president of the Republic National Bank in Dallas, Texas, found that plenty could be done about the problem, if it was handled in the right way.

As a result of his observation, followed by advance groundwork, downtown Dallas show windows last year missed the usual generous treatment of unsightly smears of soap. Instead, the windows displayed colorful murals in the Hallowe'en motif.

The murals were painted by school children, with full cooperation of Dallas merchants, and with the sanction and approval of the Dallas school administration.

The success of the operation can be seen in quotations from a letter by R. H. McKay, assistant superintendent in charge of administration, Dallas Independent School District.

"The art teachers and I join in expressing to you our sincere appreciation for your cooperation with the Hallowe'en project that has just been completed. The comments coming to this office have been most complimentary and it seems that this undertaking was a



Dallas youngsters put the finishing touches on a window that features "Ike" leading a recalcitrant donkey

definite contribution toward eliminating vandalism at this particular time of the year.

"The police department reported that this was one of the quietest Hallowe'ens on record."

There was also this comment by the manager of the branch office of a large utility firm:

"I think this is the greatest thing ever to hit Dallas, and I thoroughly believe that every store window on Jefferson Boulevard should have been painted by the school children on this occasion. Next year I hope every merchant in Dallas can be tied up with your program, as I consider it outstanding."

Mr. Watts adopted the plan for directing youthful energies into more useful channels at Hallowe'en while a banker in Philadelphia where he promoted the idea of letting school children decorate the windows each year, using easily-removed water colors. These replaced the usual mixture of soap, paints and other discoloring agents, which had been such a headache to merchants. It was just another step to put the operation on a competitive basis, giving prizes to the school group putting up the most attractive window display.

When Mr. Watts came to the Republic National Bank, he found that things in Dallas at Hallowe'en followed the old Philadelphia pattern—smeared windows, and holiday exuberance overflowing into minor vandalism that benefited no one. He and his assistants went to work. They contacted merchants and sold them on the idea of letting youngsters paint water color murals on shop windows.

Then the school administration was called in. The schools' art departments agreed to give the idea a trial.

Schools (there are about 100 of them in the Dallas Independent School district) were assigned windows in the various stores. Shortly before Hallowe'en, Mr. Watts notified merchants who had agreed to participate that a certain group of school youngsters would

This completed decoration centers around a witches' cauldron



## A BANKING Report

be around at a given time to decorate their windows.

No prizes were given for the best murals. Instead, students voted on their favorite charity. The Republic National Bank agreed to give a cash donation of \$50 to the charity selected, as an act of public service. The young people chose the Mothers' March on Polio.

Newspapers gave full support to the program through advance publicity, and also carried several feature stories with pictures of the youngsters painting their murals. No paid advertising was used.

There is every indication that the idea will spread during future Hallowe'ens in Dallas. Many merchants wrote letters of appreciation to the bank.

"We thoroughly enjoyed cooperating with the bank on this project," said the manager of a large downtown department store. "I paid particular attention to the students themselves, and offered a part-time job to one of the students to do show cards and price cards here in the store. We will be glad to cooperate in this project next year," he added.

Looks like it's simply good business to have a man around who is not afraid of spooks!

## Bank Exhibits Stimulate Sales

THE Merchants National Bank and Trust Company, Meadville, Pennsylvania, after five years' experience with lobby displays of merchandise and services, reports that this idea is one of the best it has developed for a good, continuous public relations program.

The bank, says President John D. Bainer, tries to book the exhibits a year ahead. At the beginning of

each year it contacts, by telephone, letter, and personal solicitation commercial and industrial firms which it thinks might like to reserve space.

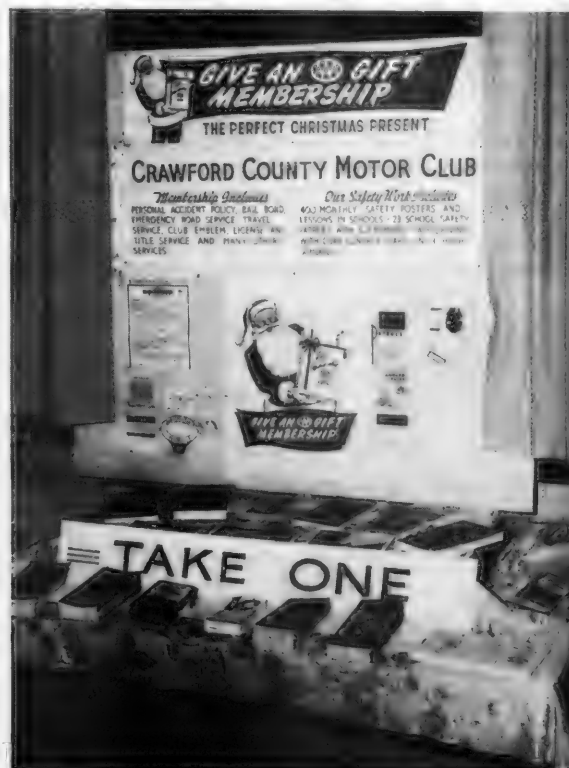
"First come, first served, for a period of one week and not more than three times during the year, are the only regulations governing use of the space," Mr. Bainer tells BANKING. "We also welcome displays by churches, schools, and other nonprofit groups.

"The displays are arranged and set up by the exhibitors, some of whom have told us they've made sales as a result of our showings."



A travel agency stimulates interest in vacation trips

The local automobile club exhibit promoted membership



A Meadville store's pre-Christmas display of men's wear



## Bank Ties Lobby Displays to Special "Weeks"

THE Richland Trust Company of Mansfield, Ohio, has a simple but effective lobby display program that's been stopping the public for nearly three years. It's attractive and inexpensive. The chief ingredients are a Government pamphlet and the imagination of the bank's director of public relations and advertising, Janet Kelly.

Let Miss Kelly tell the story:

"I use the priceless pamphlet, 'Special Days, Weeks and Months in 1953' (or whatever the year may be) as my guide for lobby exhibits and newspaper advertising. It is published by the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C., and the price is 15 cents.

"Then I tie in our customers' products with our own services and local or national events of the day. Of course, our customers like most the edible displays; and the depositor who has supplied us with his free samples to distribute appreciates the opportunity to advertise that way.

"These displays cost next to nothing—I'm even using the same box of chalk I bought two years ago to print the slogans on the blackboard background!

"I change the displays every Saturday after we close at noon so the new exhibit is in place and ready to go Monday morning when the bank opens. One of our tellers takes a picture of each week's display. He makes two prints and we send one with a thank-you letter to each customer who has loaned us materials for his display. If he wishes the properties returned, I make a personal call at his place of business and return them, also presenting him the picture and thank-you letter signed by the president of our bank."



A Mansfield doughnut maker furnished samples at a nearby table

BANKING pictures a few of the displays. Many others were equally interesting. For example, in honor of "Save the Horse Week" Miss Kelly exhibited trophies and ribbons won by two local horses. On this occasion the bank's message was "Let's talk 'horse sense,' partner. Take a 'tip' that's a sure bet—'saddle up' with us and 'jockey' your cents into a \$aving\$ account."

The bank often has noncommercial displays featuring national campaigns by civic and other organizations.

"The results," says Miss Kelly, "are very intangible; but we feel that the word-of-mouth advertising is compensation for our efforts. As long as the public is talking about us, there's no need to worry. It's when they stop talking about us that we must show concern."

Semi-classical selections played throughout the day on this machine



A local chain store furnished the properties for the "Sew and Save Week" display



Eight colored shots of paint jobs revolved on this viewer



# A Film Library for Schools

THE Valley National Bank, whose home office is in Phoenix, has a film library that's carrying educational stories of banking and business to high school pupils throughout Arizona.

Several of the eight available films were produced by the American Bankers Association; the others, on office etiquette and telephone courtesy, were supplied by commercial companies.

Approximately 40 different high schools from all over the state have requested the pictures, says B. A. Deitzer, the bank's training director.

"This is roughly one-half of the number of high schools in Arizona," he reports. "Since January 1952, we have had approximately 162 individual film bookings. To date, the actual count of spectators was 8,869. There were actually many more spectators—I would estimate an additional 1,500.

"Our cost per student is just about one cent."

The library is balanced, for many of the school business departments like to use double feature programs: one business and one banking film. A representative of the bank is available to speak at each show or to answer questions on the film subject.

"Basically," Mr. Deitzer continues, "our program is this: We have 33 offices scattered over Arizona, from Winslow in the north to Nogales in the south. We feel that it is to our advantage to stress the branch-school relationship, and with this in mind we make it a point to deal, wherever possible, through our branches.

"Once a year we send: (1) a covering letter to our branch managers; (2) copies of preprinted letters to be signed by the manager and sent to the various high school principals in his district; (3) copies of our current film list (to be sent to schools); (4) reply card for the schools to use.

"The schools return the request cards to the personnel department in Phoenix. We schedule the films and send them out, with postage paid both ways, as an added incentive for the schools. With the films we enclose an attendance card for the number of students and their comments."

The teachers' reactions are highly favorable. "The films make the bank seem like the people's friends," said one. "They give lots of information, plus a good

story," commented another, while a third observed: "They are instructional and always hold the interest of the group."

Before buying a film the bank tries it out in several high schools in the home district. If the Phoenix young people like the picture, and get its story clearly, the film is purchased.

Here is a sample of the letter to the bank's branch managers:

As you know, our high school film program met with much success last spring. The many requests and letters, to you and to us, show there is a definite need and appreciation for the films.

Now, with classes just around the corner, we have had several inquiries about our fall program.

We feel we should continue this service in view of the response. The costs are negligible while the over-all results in goodwill and publicity are more than rewarding.

This year we have two new films available—"Money Talks" and "Telephone Courtesy." Both are on the new list and previous sampling already shows their popularity.

Again, to insure success we would appreciate your help in contacting and distributing the materials to the principals of the high schools in your area. Just sign and send a letter along with the list of films and several reply cards.

In contacting the principals, you can use the form letter or, of course, write your own.

If you require more materials or have any questions, just let us know.

J. E. PATRICK  
Vice-president

HERE is the suggested sample letter to high school principals:

Here is your list of films that are again available free of charge from our Phoenix office film library.

These films are professionally produced on the high school level and cover a wide range of subjects in business and banking. Perhaps you can use them as supplementary material to your class sessions.

[The next paragraph lists new films available.]

As in the past, we will be glad to send one of our staff to speak to the group or to answer any further questions about a particular subject.

The films are loaned free of charge and we pay the postage both ways. To order any film or films, just give us a call, or return the enclosed cards to the home office.

Our only request is that you return the films promptly so we can meet the demands of other schools. If you need further information, please feel free to call us.

Branch Manager

## REQUISITION FOR FILMS

Please send us the following film(s):

(NAME OF FILM)	Date Wanted
(NAME OF FILM)	Date Wanted

If the above films are not available on the dates wanted, send the following alternate:

(NAME OF FILM)

Send to: \_\_\_\_\_  
School \_\_\_\_\_  
Address \_\_\_\_\_

Ordered by: \_\_\_\_\_ Title \_\_\_\_\_

The attendance card and film requisition form sent to schools

VALLEY NATIONAL BANK - Personnel Department

To: Borrower of Motion Picture, \_\_\_\_\_  
Would you please give us the following information?

Name of your group? \_\_\_\_\_

How many saw picture? \_\_\_\_\_ on date? \_\_\_\_\_

What was their comment? \_\_\_\_\_

Does film need repairing? \_\_\_\_\_

By \_\_\_\_\_  
Please leave this card in the film can. Thanks very much.



## Achievement Awards for Students

**I**NCENTIVE, that great American spur to success, is needed as much by school students as by those who are building careers in business.

Recognition of that motivated the Bank of America to launch its program of achievement awards in the high schools of California six years ago, and to increase the scope and cost of the program every year since.

"To an institution for public service, such as a bank, there can hardly be any public relations investment so sound, so constructive, as providing incentive for the bright young men and women who will soon bring their fresh young talents into our productive economy and into our civic and governmental life," says S. C. Beise, senior vice-president of the Bank of America, who yearly takes a leading part in the program.

The program had its beginning in 1946 in the Los Angeles school system. Two years later it was extended to the nine counties of the San Francisco Bay area. In view of its success and its ability to win the approbation of school authorities and the public, the bank extended the program statewide in 1951 and now sponsors it in more than 500 high schools for more than a quarter of a million students in all the counties of California.

In 1953, for the third year in succession, high school seniors throughout California will earn 6,000 awards. These awards include certificates, engraved trophy cups, and, for the finalists, \$36,000 in hard cash.

The purpose of all this is to stimulate students to excellence in their school work. Emphasis is placed on self-improvement, service to others, and individual achievement. Great care is used to spread the awards equitably in all areas of the state.

For efficiency of operation the state is organized into four groups: Los Angeles area counties; Southern California counties; San Francisco Bay area counties; Northern California counties. Each group is further

subdivided into zones. Award selections are made first at the school level, then at the zone level, finally at the group level.

First, two classes of awards are made in each high school. Certificates are awarded in 11 fields: mathematics, laboratory science, music, art, English, social science, foreign languages, business, home economics, agriculture, trade, and industry. Engraved trophy cups are awarded in four general fields: science and mathematics, fine arts, liberal arts, vocational arts. The number of such awards is in ratio to the school's total enrolment in 10th, 11th and 12th grades.

From the cup winners, strongest candidates in each of the general fields are selected to enter the zone selection event, where they are judged by a committee of leading citizens. The four leading students for the zone are then entered for the final awards, for which they are judged by a committee of community leaders. The final awards, which are in cash, are presented at a public ceremony in each of the four group areas, attended by many hundreds of fellow students, teachers, parents, and civic leaders.

The press of the state finds all phases of this program to be good local news material and not only devotes much space to the events as they occur, but often pays editorial tribute to the constructive value of the program. School authorities endorse it for the stimulus it gives to study without cost to the school system. Students and parents appreciate the public light thrown upon award winners, and the bank enjoys the opportunity to help in building the abilities and character of tomorrow's citizens.

## Economic Meetings and Teas

**O**NE of the most effective public relations ideas used by Peoples First National Bank & Trust Company, Pittsburgh, is the economic meeting which the bank originated in 1939, and its companion meeting, the economic tea instituted a few years later.

Last year, some 4,000 correspondent bankers and leading businessmen attended the three economic meet-

### ACHIEVEMENT DAY

Here's a picture of a Bank of America Achievement Day program, honoring the young finalists. The ceremonies are attended by prominent educators, students, parents, relatives, committeemen



ings sponsored by the bank. On January 6 of this year, more than 1,500 bankers and businessmen attended the 30th economic meeting, held in the Duquesne Club.

The economic meeting is the outgrowth of an idea, back in 1939, to have a leading economist talk to the bank's officers in an attempt to give them first-hand information on the nation's economy, thus eliminating the need of reading innumerable reports. The idea was expanded to include correspondent bankers and later businessmen. Each year the meetings have been better attended and are looked upon as responsible for the creation of considerable good-will and new business.

Last year, the economic meetings were held in January with Dr. Lionel D. Edie as the speaker, in April with Dr. Jules I. Bogen, and in November with Dr. Marcus I. Nadler. In addition to the service rendered to those who attend, the bank has received much valuable publicity in the local press. The Pittsburgh financial editors are invited to a press conference preceding the meeting and seem eager to obtain first-hand information from the economists. They devote quite a bit of space to the predictions of the speakers.

The women's economic tea, held once each year in a fashionable club, gives the trust department an opportunity to convey a message to leading trust customers and prospects. Approximately 400 women attend the tea, which is by invitation. The talks on trust matters pertinent to women are usually followed by a question and answer period. Wives of the banks' officers act as hostesses and pour at the tea.

### *Bank Tour for Teachers*

**B**ANKS are opening their doors to the public for educational tours as a step toward lifting the shroud of mystery which has long hovered over financial institutions. Much planning is necessary in order to realize maximum value from such tours. By way of example, here is the experience of the First Wisconsin National Bank, Milwaukee, with 100 teachers who visited the bank as a part of a Wisconsin State College "workshop."

In preparation, several luncheon meetings were held with the director of the workshop to lay the groundwork for a truly educational experience for the teachers. In planning the program, the First gave consideration to a number of things: (1) The teachers' background and experience; (2) the subject matter they were teaching, as it was related to banking; (3) the areas in Wisconsin from which they came, and the size of the local bank.

Lawrence J. Smotherman, assistant vice-president of the First Wisconsin and its director of public relations, goes on with the story:

"We gathered samples of the typical textbooks used in their schools, analyzing the material in relation to the functions in the bank. As a result of this study, it was our opinion that too much emphasis was placed on the complex problems of banking instead of the more common day-by-day experiences which use almost every facet of the curriculum of the schools.

"In final preparation for the tour, a bank representative met with the teachers to acquaint them with the



**Left, Robert C. Downie, president, and John Kinneman, Jr., vice-president, Peoples First National Bank & Trust Co., Pittsburgh, at a women's economic tea**

functions and purpose of the bank and also to gather any questions from the group.

"On the day of the tour, the teachers were divided into small groups, each of which was guided through the bank by a staff member who had been trained to tie in, wherever possible, various jobs in the bank as they utilized the subject matter taught in the schools.

"We prepared a series of displays in the form of panels, combining photographs of machines at work and, wherever possible, we displayed ledgers and forms on a table in front of each panel. Ribbons tied in the school subject matter with each phase of work as it applied. We found there was a tie-in, not only with mathematics, but with reading, speech, geography, history, and especially—human relations.

"After the tour, the teachers, accompanied by their guides, inspected the displays and satisfied their curiosity with hundreds of questions. They were particularly interested in the emphasis we placed on accuracy and human relations.

"This part of the program was followed by a forum meeting, where brief talks were made by officers of the bank, as well as representatives of the school. A portion of a film entitled 'From Little Acorns,' showing errors in business and their repercussions on the public, was used to illustrate the seriousness of inaccuracy.

"The program was terminated with a buffet lunch served in the bank's cafeteria. The luncheon came at the end of the day, so we invited approximately 100 officers and staff members to join the teachers.

"The result of this tour could be summarized by this excerpt from a letter signed by the leaders of the college workshop:

In our opinion, the exhibits were definitely on the teacher-classroom level. Your emphasis on writing legibility and on accuracy had positive value for the school. Your most valuable stress, to my way of thinking, was placed quite properly on correct attitudes and on making provisions for corrective measures and adjustments. I want to commend, specifically, the friendly, informal spirit of your staff.

"The college, in anticipation of continuation of this feature, offered many constructive criticisms."

# The New Direction of Monetary Policy

E. SHERMAN ADAMS

DR. ADAMS is deputy manager of the American Bankers Association in charge of the Department of Monetary Policy.

WASHINGTON'S financial firmament is now dominated by a brilliant new galaxy. Messrs. Humphrey, Burgess, Folsom, and Dodge are all stars of more than first magnitude. Their appointments portend a new approach to the nation's monetary problems.

The four have much in common. All are outstanding leaders—broad-gauged, experienced, able. They are men of principle and deep integrity. Each has demonstrated his ability to operate, to achieve results.

In their thinking, they are essentially conservative—"sound money men," both by temperament and by conviction. Yet none could be called hidebound or reactionary. Each in his own career has revealed far-sightedness as well as balanced judgment, imagination, and know-how.

Last June, addressing The Graduate School of Banking at Rutgers, Dr. Burgess urged: "We need leaders who really want to preserve good money of stable value and will follow vigorous and sound fiscal and monetary policies." The doctor's prescription has now been filled—and partly by the doctor himself!

The new Secretary of the Treasury is the least known to the general public. Mr. Humphrey has always shunned the limelight and his public pronouncements have been rare. On the basis of his career with the M. A. Hanna Company and his postwar economic rehabilitation job in Germany, one can say that here is a topnotch administrator, a man of bold enterprise who builds for the future. He apparently has an uncanny ability to analyze a problem, even in an unfamiliar field, and find the right solution. He can be counted on to chart the Treasury's course with sagacity and vision.

President Eisenhower recently said

of Mr. Humphrey: "George understands money; he sees it as a commodity"—meaning, presumably, that the new Secretary regards money not as an end in itself, but as a means to an end. And the end sought by both the President and Mr. Humphrey is the building of a more productive and stable economy on a foundation of sound financial policies.

By way of contrast with Mr. Humphrey's reticence, the other three members of the new foursome have been unusually articulate. In speeches, articles, and even books, they have eloquently delineated their views on many aspects of both domestic and international finance. These utterances are lucid and forthright. Although they are all independent thinkers, there is nevertheless a striking similarity in their points of view.

Study of these past statements makes it possible to piece together a fairly distinct picture of the objectives toward which the new team

George M. Humphrey



HOERTEL

Marion B. Folsom



Joseph M. Dodge



will work. Their frame of mind in assuming office has been well expressed by Mr. Dodge: "The solvency of this country is the most important issue to each of its citizens and to the rest of the world." In this spirit, these men will strive to put the Government's financial house in order and to do it in such a way as to contribute to economic stability and growth.

Consequently, new trends will soon begin to emerge in three important areas: (1) fiscal policy, (2) debt management, and (3) credit policy. Let us examine each in turn.

### FISCAL POLICIES

The new Administration is pledged both to balancing the budget and to tax relief. To some extent, of course, these aims are in conflict. There can be no question, however, but that the new quadrumvirate is determined to accomplish both if it can be done.

How will they go about it?

First, one may be sure that these men will crusade ardently and persistently for cutting Government outlays for nonmilitary purposes. They will do everything they can to eliminate extravagance and may even advocate the postponement of some laudable programs which are not urgent.

According to Mr. Burgess, "so far only a faint beginning has been made in this operation." Just for example, he cites that under present conditions "we certainly don't need to spend a billion dollars a year for the Government purchase of mortgages."

There are no illusions, however, regarding the obstacles to retrenchment. In a recent press interview, Mr. Dodge pointed out that huge chunks of the budget are "relatively inflexible and uncontrollable." He warned the public not to hope for too much too fast—or, as he put it, not to expect any "60-day miracles."

The budget for military expenditure will be shaped very largely, of course, by the Defense Department. To whatever extent the Treasury and the Bureau of the Budget may influence policy, it will be in the direction of reducing waste and inefficiency. Although the character and timing of the weapons program is beyond their purview, they will doubtless be interested in the adoption of sound procurement methods and other potential economies.

On the other hand, they will not try to pinch pennies—or billions—at



W. Randolph Burgess

the sacrifice of our defensive strength. The following quotation from an address by Mr. Folsom is representative: "We must build up our military capacity to the goals required to discourage any attack." The emphasis will be on getting full value for our defense dollars.

Similarly, in the matter of foreign aid, there is no disposition to abandon our allies. To quote Mr. Burgess: "If the western democracies are to preserve their integrity they must maintain a balance of military power . . . Above all we must not let our present partners be absorbed by Russia."

There will be a new approach, nevertheless, to the whole problem of foreign aid. It is felt that in the past many of our foreign aid dollars have been wasted and that little progress has been made towards solving the basic problem, namely, the dollar shortage.

The new Administration will try, therefore, to channel foreign aid dollars more carefully and to work toward a lasting solution to the dollar shortage. "Trade, not aid" is more than a catchword; it embodies a basic policy concept—that other nations should be permitted to pay in goods and services for American exports, rather than charging them to the American taxpayer. The concept is sound, of course, but it may be hard to implement it effectively against the opposition of groups in this country which might be adversely affected by a substantial increase in imports. Success, however, could lead to free convertibility of foreign currencies and would be a

powerful stimulus to international trade.

Mr. Dodge has been insistent that the recipients of our foreign aid should adopt internal policies which will help to make them less dependent on us. In recent years the United States has hardly been able to point to its own financial policies as models for other nations to copy. With the adoption of more conservative fiscal policies in this country, we should be in a better position to urge their adoption elsewhere. As Mr. Dodge puts it: "With our dollars and goods, our principal export has to be sound policies, or we will waste our money as we have in the past."

What about the revenue side of the budget picture? Messrs. Humphrey, Burgess, Folsom, and Dodge have all expressed serious concern about the high level of taxation. Typical is the following assertion by Mr. Burgess: "Already the tax load, particularly on the individual, is dangerously heavy—dangerous to initiative and to progress."

### On Balancing the Budget

On the other hand, all of these gentlemen seem to be even more insistent on the necessity for balancing the Federal budget under existing conditions. In a prepared statement issued last month, Mr. Dodge affirmed that there is "no qualification by the Eisenhower Administration in its objective or determination to proceed, with the cooperation of Congress, to the achievement of a balanced budget." In view of the difficulties of reducing Federal expenditures, this declaration would seem to preclude the possibility of any substantial cut in the total tax burden for some time to come.

This does not mean that there will be no changes in the tax structure. Mr. Humphrey is reported to be keenly interested in a thorough renovation of our present hodgepodge of tax laws. This will be Mr. Folsom's chief responsibility. Near the top of his agenda, in all likelihood, will be the elimination or drastic modification of the "excess profits tax," now scheduled to expire in June, and perhaps some relief for individual taxpayers. Mr. Humphrey is also known to favor the removal of "double taxation" of corporation profits paid out as dividends.

If there should be a recession in  
(CONTINUED ON PAGE 158)





UNITED PRESS  
**PORTRAIT OF AN ADMINISTRATION**—President Eisenhower (seated third from right), with Vice-president Nixon on his right, is pictured here with some of the new Administration's top appointees. Left to right, seated: Brownell (Justice), Humphrey (Treasury), the Vice-President, the President, Dulles (State), Wilson (Defense). Standing, left to right: Dodge (Budget), Hobby (FSA), Adams (Assistant to the President), Weeks (Commerce), McKay (Interior), Summerfield (Post Office), Benson (Agriculture), Durkin (Labor), Lodge (UN), Stassen (MSA)

## Executive-Congress Determination "To Get Along"

LAWRENCE STAFFORD

**T**HERE are developing signs of a new approach toward governmental problems, an approach of orderliness, of decisions based on profound study of all factors bearing on a situation, of initiative taken on new measures after participants have had their say.

Not the least of these signs is the continued indication that President Eisenhower comprehends the usefulness to him of engaging the services of men of seasoned banking background. The most notable of such appointments since the January issue of **BANKING** was that of Joseph M. Dodge to be the Budget Director.

Mr. Dodge was president of The Detroit Bank until shortly before his appointment by the President, when he was made chairman. He is a past president of the A.B.A.

Other men of banking background or connections, as mentioned last month, are the Secretary of the Treasury, George M. Humphrey; the Undersecretary of the Treasury, Marion B. Folsom; W. Randolph Burgess, to be a special Deputy Secretary of the Treasury, and Sinclair Weeks, Secretary of Commerce.

Another appointment was that of Robert Cutler, president of the Old Colony Trust Company, Boston, to

be an assistant to President Eisenhower. Robert B. Murray, Jr., named to be Assistant Secretary of Commerce for transportation matters, for a short time in the early forties was with the New York Trust Company.

The Eisenhower appointments further took into Government a number of Federal Reserve Bank directors, including Messrs. Folsom and Burgess (the latter a director-elect) of the Federal Reserve Bank of New York, and Robert T. Stevens, for Secretary of the Army, also a New York "Fed" director. Mr. Burgess was at one time a New York "Fed" vice-president.



WIDE WORLD

Robert B. Anderson, named Secretary of the Navy, was vice-chairman of the Federal Reserve Bank of Dallas. Two members of the President's interim agricultural advisory committee to study agricultural problems, Professor William I. Myers of Cornell University and Albert K. Mitchell of Denver, were also FR bank directors, Dr. Myers of New York and Mr. Mitchell of the Denver branch. Mr. Dodge was a director of the Detroit branch of the Federal Reserve Bank of Chicago. Another director of the Detroit branch of the Federal Reserve Bank was John A. Hannah, also president of Michigan State College, appointed Assistant Secretary of Defense for Manpower.

For some years before he was enlisted in the front rank of the Eisenhower Administration, Mr. Dodge had assisted the Government, although with highly-technical assignments involving little public awareness of the work he had undertaken. A digest of his extensive Government service may be found on page 33, December BANKING.

#### Seeks Smooth Relations With Congress

One of the more important indications that President Eisenhower prefers a smooth, orderly Administration over a stormy one is his apparent firm determination to get along with the new Republican Congress.

#### A MATTER OF NUMBERS

In the Senate Office Building, the meeting room of Republican senators gets a new sign — "Majority Conference" — as the old "Minority Conference" sign comes down

Ever since the election of last November there has been real apprehension among informed observers lest General Eisenhower should run into trouble with Congress. There was a fundamental situation which, unless handled carefully, could have brought about such political strife.

For instance, the President's official family is rated as somewhat more "progressive" than the run of Republican Party leaders in Congress. Furthermore, with only the thinnest majority in both Houses of Congress, it will be absolutely necessary to have the enthusiastic, not merely nominal, support of those Capitol Hill followers, and to gather support from conservative Democrats as well, if the new President is to get a majority sufficient to permit enactment of his legislative programs.

So here potentially in the making was a philosophical cleavage between President Eisenhower's official family and his political family on the Hill. The danger of an eruption became acute when Senator Robert A. Taft reacted against the appointment of Martin P. Durkin as Secretary of Labor.

The potential difficulty which this appointment threatened has not only been avoided, but the relations between the new President and his congressional lieutenants have been put on such a harmonious basis that, at this writing, the congressional lead-

### Budget Highlights

SOME of the forecasts, in billions of dollars, in Mr. Truman's final budget estimates, are as follows:

#### (I) TOTAL PICTURE

Item	Fiscal '53	Fiscal '54
Expenditures	74.6	78.6
Revenues	68.7	68.7
Deficit	-5.9	-9.9

#### (II) SOME DETAILS

##### (A) Revenues

Individual income taxes	33.551	33.394
Corporation income taxes	23.7	23.3
Excises	9.795	9.869

##### (B) Expenditures

Military services	44.330	46.296
International security, foreign relations	6.035	7.861
Veterans' services, benefits	4.546	4.564
Interest on debt	6.520	6.420
Social security and welfare	2.594	2.579
All other Government costs	10.6	10.9

There thus appear on the face two salient highlights of the budget, as they were seen by the retired President:

(1) Expenditures for "all security" programs will fall substantially short of the \$65-billion officially set as the objective up to several months ago, and unofficially set at \$60-billion only as recently as a few months ago.

"All security" programs are the total of military services plus international programs. They thus are estimated to come to about \$50.0-billion in the current fiscal year and \$54-billion in fiscal 1954.

(2) It is estimated that Treasury revenues will hold up in fiscal 1954 to the \$68.7-billion estimated for the current year, despite the lapse now provided by statute of the excess profits tax next June 30 and the 1951-enacted increases averaging 11 percent in personal income taxes, which expire next December 31. It was assumed officially that this income will be received even though the above taxes will be reduced.

ers are genuinely enthusiastic about teaming up with the new President to attempt to give the American people a new kind of government, as they see it.

### Agreement Is Broad

Press reports carried the account of one luncheon meeting between Senate GOP leaders and the President-elect (at that time) and his aides. Actually this affair was merely the public climax of some substantial discussions between the new Chief Executive and his legislative leaders. Agreement on routine considerations of dispensing patronage made up only a part of the whole affair.

It is reported that the proposition was frankly stated and accepted that there exists the possibility of philosophic differences on economic and other matters between the Eisenhower official family and the predominantly conservative congressional leaders.

Hence it was agreed that both sides should consult before taking hard and fast positions. The idea is that the White House will not attempt to commit the Administration on broad matters until ascertaining the sentiment of Hill leaders, and their prospects for getting voting strength.

Conversely, the more responsible leaders on Capitol Hill, for their part, indicated a disposition to refrain from taking detailed public viewpoints on major public questions until these leaders had learned the viewpoint of the Administration.

Even before the inauguration the fruits of this accord were evident to news correspondents. Committee chairmen who in some cases in the past had taken rather definite positions on legislation, hesitated to restate these positions. Others refused to comment at all about their detailed views.

Another fruit was that quietly, even before the installation of the President's official family, there were a number of meetings between congressional committee chairmen and the men of the new Administration who would deal with these problems after inauguration.

This correspondent, whose Washington experience extends back to the latter days of the late Mr. Coolidge, cannot remember when there before existed such a firm intention

(CONTINUED ON PAGE 140)

## Much Ado About Foreign Investments

HERBERT BRATTER

**D**URING recent months the subject of American foreign investment has been re-explored by various official and private agencies. The "to-do"—or rather, "what to do"—has received impetus from British and Continental restiveness with the present form of American economic aid and the consequent rallying around Chancellor of the Exchequer R. A. Butler's slogan, *Trade, not aid*. One way for America to supply dollars needed by other countries without the annual trek up Capitol Hill is to increase investments abroad. This means not the purchase of foreign securities but direct investment in mines, plantations, factories and public utilities by private capital, with or without official participation.

**S**ECRETARY of Commerce Sawyer's economic mission to Europe had something to say on this subject in December. In every country visited, the mission found an eager desire for private American capital; but the solution—the mission reported—lies with the governments of the countries desiring the investments. "American investors . . . should not be expected to enter countries where they risk expropriation, the prohibition against conversion of earnings into dollars, special arbitrary exchange rates or other circumstances wholly beyond their control," the Sawyer group observed. That takes in a lot of territory.

**I**NVESTMENT guaranty proposals are not a wise expedient. For the U.S. to offer investors guaranties against actions by other governments would tend to encourage unsound policies, the group reported. Out of \$600,000,000 Americans invested or reinvested in Europe during the past four years, only \$34,000,000 carried ECA-MSA guaranties against currency inconvertibility and—aside from the UK and Turkey—expropriation. "Most of these guaranteed investments would have been made anyhow," the Sawyer mission found. In its view, "American capital cannot be talked into going abroad"; but, if the foreign "climate" is good, capital will flow of its own accord.

A Commerce Department census

of American direct investments abroad shows a considerable increase between 1943 and 1950 in terms of book values, from \$7.9-billion to \$11.8-billion. Were it possible to evaluate American direct investments abroad in terms of present dollars, the increase would be even greater.

**A** REPORT recently released by the State Department looks to the Government to increase the outflow of investment dollars. Among the report's more conservative proposals is a doubling of the Export-Import Bank's \$4.5-billion capital so that it may make unsecured equity loans to foreign corporations and individuals. Included in the report's recommendations are: tax concessions to investors, guaranties to investors against loss through foreign civil wars or international wars, etc. A different approach still under study is the "International Finance Corporation," discussed in this space last June. The tenor of such schemes is that Government credit should be used where private capital fears to tread.

**O**VERSEAS too often the tendency is to scare investors away. An example during the last UN session was the committee adoption of a resolution defending the right of governments to nationalize foreign property but not even mentioning the matter of compensating the owners. The economic committee approved the resolution by a 31-to-1 vote. The sole opposing vote was that of the U. S. The majority's vote caused NAM's managing director to comment that the resolution dimmed the hopes of underdeveloped nations of raising their standards of living through private foreign investment. New York Stock Exchange President Keith Funston saw the resolution as having "unfortunate and long-lasting effects on the free flow of capital." The Chamber of Commerce of the United States viewed it with concern.

For increased American investments abroad over the longer run one powerful factor is at work. This is the inexorable process of exhaustion of our domestic supplies of important raw materials.

# Your Money's Worth

## A Graphic Program of Public Education

**T**HE Federal Reserve Bank of Richmond has developed an audience participation program that explains graphically the economics of inflation and the means of combating it.

Entitled "Your Money's Worth," two fast-moving scripts have been developed for a three-man team—a one-and-a-half to two-hour version for bankers and a 45-minute abridgement for nonbankers. The program, which employs the dramatic "flannel-board" technique of building illustrations bit by bit, has been widely acclaimed for its effective reduction of complex economic concepts to visual presentation.

Edward A. Wayne, vice-president of the bank, says that "Your Money's Worth" is, in part, "an attempt to further understanding of why the Federal Reserve System does what it does."

"Because the postwar experience has been inflationary in nature," he explains, "the program has treated that aspect of the problem of instability almost exclusively. However, the program can be used with equal effectiveness in discussing the causes and cures of deflation."

The script and illustrations, which are constructed in sequence as the program proceeds, review in capsule form the nature of money flows in the economy, the process of money creation, and postwar inflationary developments, and include a brief description of measures that can be taken to combat inflation and their use in the postwar period.

The program has been presented to numerous audiences, including bankers, educators, women's clubs, manufacturers, and labor and farm organizations. The response has been enthusiastic, and the material has been sent to the other Reserve banks for their districts. Also, a sound movie adaptation is being made.

(1) The narrator builds this picture by placing cutouts on the flannel-board as he discusses the principle of the circular flow of income-spending. Taxes draw dollars from the spending stream; expenditures add to it. Savings reduce the flow; borrowed funds swell the spendings stream



Excerpts from the shorter script give an idea of how the program proceeds.

The narrator opens by saying: "It is not our purpose to forecast the future of the dollar nor to predict the course of economic events. We propose merely to recall for you certain basic facts and fundamental economic principles with which the monetary authorities and all thinking citizens should be, and are, vitally concerned."

"The first basic fact is that America has been thrust into a position of world leadership . . . Your money's worth has meaning for peoples throughout the world."

"The second basic fact is that in the past several decades our economy has undergone a fundamental shift—from an economy with a deflationary bias to one with a distinctly inflationary bias . . ."

"The third basic fact is that in the last decade or so this inflationary bias has been intensified by the pressures of World War II, the Korean conflict, and other developments. Inflation rears its head in so many places and its effects vary so among different groups that confusion is bound to result whenever we look only at the effects of inflation. For that reason I should like to begin by describing, as it were, the nature of the disease and its spread."

(The narrator defines inflation as "a flow of spendings in excess of the flow of goods and services." Conversely, deflation is "a flow of spendings too small to support the flow of goods and services.")

"I find it easier to understand this concept by remembering that *one man's expense is another's income*."

(Turning to the flannel-board thus labeled, the narrator places a cutout of a factory building on the board, adds the figure of the worker, and connects the two with a broad arrow representing the spendings flow. In like fashion he adds the "gimmicks" one by one until the Income-Spending Flow chart (Illustration 1) is completed. As he builds the picture, he continues:)

(2) Price changes, like temperature changes, merely reflect the patient's condition; they are not causes of the disorders





"Let us assume that this factory is typical of all industry and that this machine operator represents not only the plant's labor costs but all other expenses as well. What is expense to the factory is income to the worker. In turn the worker's expenses—his clothes from the merchant, for example—become income to the retailer and others from whom he buys. The merchant then incurs expense for clerks and replenishment of inventory, his expenses becoming income to his employees, the factory and others. Here we have the flow of spendings, carrying with it the flow of goods and services. If there is no change in the flow of spendings or in the flow of goods, there is no pressure on prices.

"It is an economic truism that income may never exceed spendings. Whether by consumers, business, or Government, only that which is spent can become income. On the other hand, spendings may be either more or less than current income. We can spend *more* by withdrawing savings—the spending of income of a prior period—or by borrowing, anticipating future income. We can spend *less* by saving more or by paying off debt. The same is equally true of business and industry.

"GOVERNMENT (represented by top hat) derives its income primarily from taxes, which may be levied at any point in this income flow. Normally, the taxing is deflationary; it draws dollars *from* the spending stream. On the other hand, expenditures by the Government for goods and services kicks money *into* the spending stream. These two processes, however, are distinctly separate.

"Just as in the case of individuals and business, Government can spend less than it takes in taxes—running a surplus or retiring debt as it did in the first few postwar years. Too, Government can spend more than it takes in taxes—generally termed 'deficit spending.'

"In a period of mobilization such as at present, the Government not only may be spending more than it takes in taxes, but the diversion of strategic and scarce materials into war production tends to limit the flow of goods available for consumers. Thus, additional funds are flowing into the hands of defense workers and others at a time when the supply of consumer



Vice-president Wayne presenting "Your Money's Worth"

goods cannot be correspondingly increased. The result is twin pressures on prices—too many dollars chasing too few goods. To the extent that these spendings can be diverted into savings—siphoned off into the purchase of Savings Bonds, for example—the pressure on prices is relieved."

As Inflation's Fever Chart (Illustration 2) is built period by period, the narrator traces the rise in consumer prices from the end of World War II, August 1945, to the present. Using a "dial board" with movable hands (Illustration 3), he illustrates the dollar magnitude of postwar spending and the changes in physical output, raising the thermometer to demonstrate the extent to which spending spilled over into prices.

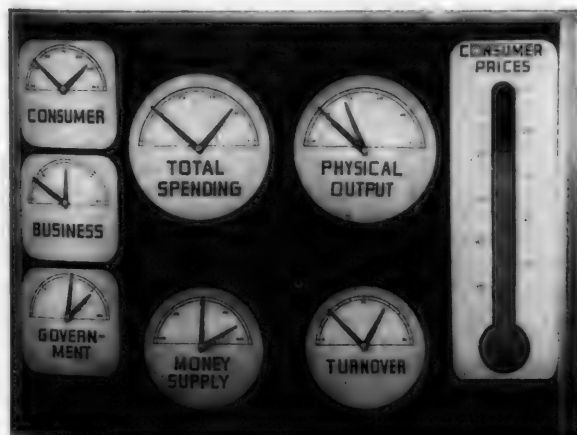
Spendings of consumers, business, and Government, he says, make up the total. By tracing their movements relative to the flow of goods and services "you can get a much clearer picture of the nature and extent of our postwar inflation." And "by looking ahead to probable future spendings of each component, relative to the probable changes in output, you can make a reasonable stab at predicting the course of the illness."

The narrator then turns "pharmacist," using the Anti-Inflation Prescriptions chart (Illustration 4) to

(CONTINUED ON PAGE 106)

(3) At high levels of business activity, additional spending not met by increased physical output spills over into prices. Increases in the supply or the velocity of money make possible the rise in spendings

(4) "If Nature's Remedies prove insufficient to meet inflation's threat, shall we rely on the Preventive Medicines of fiscal and monetary policy or on the strait jacket of Controls?"



# METHODS and IDEAS

Operations . . . Advertising . . . Public Relations

*This department is edited by JOHN L. COOLEY of BANKING's staff.*

## Accounting for Amortization of Bond Premiums

A SURVEY of bank practices in accounting for amortization of bond premiums resulted in the following commentary by F. W. Manke, comptroller of The First National Bank, St. Paul, Minnesota.

**Mechanics of Amortization.** All banks agreed that, from a practical standpoint, premiums be amortized on a so-called straight line basis to option or maturity date.

The form of the amortization record is not too important as long as all pertinent information is shown. It should, however, tie in with the other bond records in order that bond reports may be prepared efficiently. Some banks preschedule the total premium and check off the amounts periodically. Others post to amortization records when entries are made.

In the large banks entries are made daily. In medium-sized and smaller banks the entries vary from monthly to annually.

The two most popular methods of setting up the general ledger are:

(1) The bonds are carried on the books at par and a separate account is maintained for unamortized bond premiums. At specified times either an expense or interest earned account is charged for the proper amount of premium to be amortized, and credited to the unamortized bond premium account. Under this method the premium is entirely wiped out by the time the bond is called or matures.

(2) The bonds are carried at cost, and at regular intervals either an expense account or interest earned account is charged for the premium

to be amortized, and credited to special reserve account. When the bond is called or matures, the reserve account will contain sufficient funds to write down the issue to par. The premium reserve account is usually shown on the asset side of internal balance sheets as a reduction of book values.

Other practices involve a charge to undivided profits account and setting up a reserve for the premium, which in turn, over a period of time, is charged to earnings. When earnings are charged, a like amount is returned to the undivided profits account.

Another practice is to charge earnings, credit a reserve, and once each year transfer from the reserve account direct to the bond issue.

**Published Statements of Assets and Liabilities.** Apparently all banks, regardless of whether premium accounts are carried on the asset or liability side on internal balance sheets, show bonds at a net figure in the published report.

**Earnings Reports.** Most banks show interest earnings at a net figure, or in other words, after the

amortization has been deducted. Subsidiary records, however, will indicate gross interest, amortization deducted, and net interest. The survey disclosed only one bank which is inclined to report gross interest earnings and show the premium amortization under deductions as an expense item.

**Other Comments.** Some banks are still following the practice of charging off the premiums when the security is purchased and forgetting about amortization. Supervisory authorities say that while such a practice is not contrary to statute, it is not good accounting, and it has been their policy to criticize it informally from that standpoint.

Investment department or trading securities present a somewhat different problem. These securities are carried at cost and premium is amortized only on municipal bonds in accordance with regulations issued by the Commissioner of Internal Revenue. Briefly, these regulations provide that premiums must be amortized on tax exempt municipals having an option or maturity date of five years or less from date of

## Forum in Print Judges

BANKING has invited three experts to judge the entries for its 1953 Forum in Print, a national exhibit of banking advertising. They are:

William B. Hall, president of the Financial Public Relations Association, and vice-president of The Detroit Bank; John B. Mack, Jr., former director of the American Bankers Association's Advertising Department, and now head of his own agency; and Dr. George Burton Hotchkiss, Professor Emeritus of Marketing at the New York University School of Commerce, Accounts and Finance, where the

Forum will open about the middle of March.

The judges will view the entries and select the "best bank advertising of 1952" which will receive BANKING's Citation. These selections will then be displayed at New York University's Graduate School of Business Administration before they are announced in this magazine's May issue. Later they will be shown at The Graduate School of Banking conducted by the A.B.A. at Rutgers University.

Numerous entries have already been received. The deadline is midnight of March 31.

acquisition, and which are held for more than 30 days. Many of the bonds, of course, are sold within the 30-day limit, making amortization unnecessary.

It seems to be the practice of the large banks actually to make entries for the amortization on their regular books of account. In banks where the volume of securities handled is small, subsidiary records are maintained to record the amortization.

Mr. Manke reported on his survey to the National Association of Bank Auditors and Comptrollers.

## New Business Breakfasts

THE CENTRAL NATIONAL BANK of Yonkers, New York, stimulates the quest for new business at fortnightly breakfasts for the officers.

On the theory that there's a lot of retailing in the banking business, this institution brings together its executive staff every other Wednesday at 7:30 A.M. for a sales meeting and a review of the commercial account prospect list. Each officer is responsible for several names, and at the sessions he reports on the calls he has made in the past two weeks, offering suggestions and recommendations for follow-up visits.

A record of the calls on both new and old customers is kept on a chart.

## Questions About Banking

THE CARLISLE (Pennsylvania) TRUST COMPANY has been running an unusual ad series: answers to banking questions asked by the public.

(CONTINUED ON PAGE 108)

One of the Carlisle Trust Company's question and answer ads

### KNOW YOUR BANK USE YOUR BANK

"What are the duties of a trustee of a Savings Account?"

This general question, sent in by Mr. Harold B. McGraw, Jr., 700 Green Ave. Street, Mechanicsburg, Pennsylvania, has two specific parts to it. Now the first one: "If my 5-year-old daughter opened a Savings Account, would I have to be designated trustee?"

The answer: Yes. A trustee is required when the account holder is a minor. The trustee must perform the same duties as the account holder.

Part two of the question: "If I die before my daughter comes of age, what happens to the account?"

The answer: The account automatically becomes the property of the daughter. Legal age does not matter. If she is not a minor at the time of the account holder's death, the account holder takes over the management. If, upon the death of the trustee, the account is automatically placed in the hands of the account holder, it is not a trustee account.

Continuing an account can be carried over to the account holder in two ways. One, the account holder relinquishes the trusteeship and the account holder takes over the management. Two, upon the death of the trustee, the account is automatically placed in the hands of the account holder. In either case, however, the account holder must be a minor.

This is the fifth in a series of informational advertisements. WHAT DO YOU WANT TO KNOW ABOUT BANKING? These advertisements appear every Tuesday and Friday in the Evening Edition.

# Safe Deposit Procedures

JAMES A. MCBAIN

*This commentary by the vice-president of The Chase Safe Deposit Company, New York, is from a memorandum he presented to the A.B.A. State Legislative Council. Further excerpts will appear in this space.*

## Limitation of Liability

BANKS in some states may attempt by statute or by contract, or both, to limit liability by fixing a sum in excess of which a lessee may not claim damages for an alleged loss from his box. The statute or contract may attempt to exclude a claim for certain types of property, such as cash or jewelry. Such statutes or contracts may be of doubtful value unless there have been cases tried in the highest courts of such states proving their worth.

In case law such contracts may be construed to be against public policy if they are entered into in an attempt to limit the lessor's responsibility for its own negligence. For example, if it is alleged and proved in court that an employee of the lessor dishonestly obtained access to a box through the negligence of the lessor, the protection of a limited liability clause in a contract is subject to debate. Moreover, a stated limit of liability or other reference to claims may be construed as dangerous public relations since it may encourage allegations of claims and approximating the limit of liability, if so stated.

## Relationships

Some states by case law or statute have attempted to define the relationship between the bank and the box renter. The majority of cases seem to emphasize the bailment character of the arrangement; others classify it as more in the nature of a landlord and tenant contract. The latter relationship seems to be looked upon by some legal authorities as the best for a bank to establish. The word, "lessor," or "landlord," to describe the bank, and the word, "lessee," or "tenant," to describe the renter are sometimes used in safe deposit contracts.

The distinction is important. If the relationship is that of a bailor and bailee character, the bank may be construed to be in possession of the contents of a box. In effect, it is not in possession since all it does is to control the access to the receptacle. If the relationship is of the character of a landlord and tenant, then the bank is not

held to be in possession of the box contents. The responsibility may be somewhat greater if the bailment definition is applied.

## Care

GOOD legal opinion holds that the lessor's duty is to exercise "reasonable care." This may depend on circumstances. Courts in determining what is "reasonable care" consider how other well-managed vaults in the community have been operated, the type of vault, the construction, alarm systems, etc. Reasonable care will not be defined as the same as that exercised by other vaults in the community if they are NOT well-managed.

The protection afforded safe deposit boxes should be equal to the protection given to the lessor's own property. This need not mean that the lessor must insure property of the lessee because it insures its own. The lessor is not an insurer against loss. A case dealing with this latter point is *Sagendorph v. The First National Bank of Philmont*, 218 App. Div. 285 (New York).

If a lessor alleges, say, by advertisement, that its vaults are "burglar-proof," or "fireproof," etc., then it may be construed an insurer of box contents. No such advertisements or statements should be made. A case on this point is *Haugen v. First National Bank of Poulsbo*, 244 Pac. 574, Washington.

Despite the fact that lessors need not insure box contents on behalf of their lessees, many lessors carry special safe deposit liability coverage in the form of a specially written policy obtainable in the domestic or foreign insurance markets. The insurer, under such insurance, assumes responsibility for defending claims on behalf of the lessor.

## Equipment

Vault equipment should be kept in good condition. Failure to open on time, which may result in a delay to a customer contemplating removal of securities for sale, may cause trouble.

Evidence that the equipment has been kept in good condition and precautions have been taken against "lock outs" may help the bank in such an instance. The winding and checking of clocks and the opening and closing of vault doors should be in charge of officials and/or senior employees. Keep records of the periodical inspection of vault combinations and time locks, winding and checking of clocks, and opening and closing of vaults.

# Better Bank Public Relations by Mail

*Make the Most of X-Million Opportunities for Better Letter Relations*

WILLIAM H. BUTTERFIELD

**“W**HEN a man with whom we are not personally acquainted reads one of our letters, he automatically forms an opinion of us from the tone and the content of that letter. Is it a human letter? Then we are a human company. Is it a cold letter? We are a cold company. The single letter he receives is very important to him and to us. For we are being judged as he reads it line by line.”

These are the words of Clarence J. Myers, executive vice-president of the New York Life Insurance Company. He continues:

*“We would like the public to know us as a courteous, helpful, friendly, and human company. We may contribute toward this objective if we remain continually aware that business correspondence has a public-relations function in addition to its prime purpose of transmitting information clearly and completely.”*

Mr. Myers' statements apply as fully to the banking profession as they do to his own. Goodwill is a valuable by-product of an effective letter, regardless of the basic purpose for which the letter was written.

This month's commentary and letter examples are devoted entirely to business promotion by mail. Banks all over the country are spending substantial amounts on mail campaigns to develop new business. But in many cases the quality standards of these programs—and hence the net results—are most disappointing.

Often a bank letter intended to build business actually does more to defeat its purpose than to achieve it. Usually the letter is too long; it loses the reader's interest before he reaches the climax, or point, of the message. Frequently, too, the appearance of the letter is unattractive. Messy typing, ragged margins, and rambling paragraphs make the message look uninviting and hard to read.

To be effective, a bank promotion letter must invite the reader's attention and hold his interest. The message must be attractively presented, and its structure must assure easy reading. The following 10 guides, or rules, provide a check list for writers of bank promotion letters. If each requirement is carefully observed, the result will be an effective letter:

- (1) Present your message from the reader's point of view and emphasize his interests. Show him how *he* will benefit by taking the action you wish him to take.
- (2) Avoid any evidence of a selfish motive. No potential customer will give you his business merely to help your bank grow and increase its profits.
- (3) Be friendly, but not gushy. Effusiveness seldom

builds confidence, and often it creates resentment on the part of the reader.

(4) Make your letter appear to be individually typed for its recipient. An obvious form letter seldom receives careful attention and consideration.

(5) Be sure the reader will understand how to take the action you wish him to take, and make it easy for him to do so.

(6) Make your letter personal in tone by writing to *one person* instead of a group. Though your letter may go to many readers, remember that each is an *individual*.

(7) Be sure your letter is neat and attractive. Make the physical appearance of the message reflect efficiency, not careless indifference.

(8) Though you may be proud of your bank, don't relate its complete history. Too much detail of this type kills the reader's interest.

(9) Be sure you spell the reader's name correctly. This is his own personal property, and he is likely to be annoyed if you take liberties with it.

(10) Make your message complete, but avoid unnecessary length. Tiresome repetition and irrelevant statements obscure the main point of your letter.

## LETTERS OF THE MONTH

The following letter specimens illustrate several types of business-promotion messages used by progressive banks. Each letter has demonstrated its effectiveness through the test of extensive use.

### Promotion Letters to Newcomers

A. E. Bradshaw, president, National Bank of Tulsa, Oklahoma, sends the following message to new residents of the community. Many of them bring the letter to the bank when they call to introduce themselves:

Dear Mr. Morgan:

It is a pleasure to learn that you have become a resident of Tulsa. We feel sure you will find this community a good one in which to live—attractive and pleasant in every way as a permanent home.

A cordial welcome awaits you at the National Bank of Tulsa. If we can provide any information on local conditions, or be of assistance to you in any other way, feel free to call on us.

You will find this a bank of friendly, efficient service. It offers you complete equipment for the handling of financial matters of any kind. Please come in soon, and let us know of any way in which we can be helpful to you.

Sincerely yours,



The following letter of welcome to newcomers is used by Donald B. Smith, Jr., vice-president, First National Bank, Kokomo, Indiana. Many of its recipients have become customers of the bank:

Dear Mr. Fisher:

Welcome to Kokomo!

We are sending you, with our compliments, a month's subscription to the *Indianapolis Star*, and we hope you will soon be an enthusiastic Hoosier.

Also enclosed is some information about Kokomo, which we believe you will find interesting and helpful. Please let us know of any way in which we can be of service, for we want you to like this community and feel at home here.

Like more than 10,000 other residents of Kokomo, you will find the First National an efficient, friendly bank with which to do business. We should like to have you make it your bank in Kokomo.

When you have a convenient moment, won't you come in and let us explain the advantages of doing your banking with us? We are open from 9 A.M. until 5 P.M. Monday, Tuesday, Thursday, and Friday—and until 1 P. M. Wednesday and Saturday. There are two convenient locations: Main at Taylor, and our drive-in bank at 1135 South Main Street.

Please stop to see us soon. We are looking forward to meeting you.

Sincerely yours,

#### Promotion Letters to Paid-up Loan Customers:

R. C. Pelz, assistant cashier-manager, Central Bank, Oakland, California, uses this letter to follow up loan accounts that have been paid in full. Many recipients respond either by applying for new loans or by opening savings accounts:

Dear Mr. Simmons:

Thank you for the excellent manner in which you have paid your loan with us. By so doing, you have established a preferred credit rating, and we are happy to offer you the full benefit of "Centralized" banking services.

Your application for another loan—whether it be a real estate loan, a personal loan, an automobile loan, or a home modernization loan—will receive our immediate attention.

If you have no need for another loan, we suggest that you continue making monthly payments and have them credited to a savings account in your name. Then, when you have need for funds, you can draw on your own account.

In any event, you may be sure that we shall welcome further opportunities to serve you. Whenever you need credit for any purpose, please see us for a low-cost Central Bank loan.

Sincerely yours,

The following letter is used by Paul S. Newton, personal loan department, Bridgeport-Peoples Savings Bank, Bridgeport, Connecticut. This message induces many paid-up loan customers to open savings accounts:

Dear Mr. Gardner:

You recently paid your personal loan account in full. Instead of feeling that we have lost a customer, we feel that we have made a friend. The fine paying record you have established with us justifies our confidence in you, and makes us proud to have been able to serve you.

If you haven't opened a savings account at this bank—your bank—we'd like to suggest that you do so. You will agree it's a good idea to continue your regular monthly visits to "Old Faithful" . . . and instead of paying for the past, build for the future by putting your regular

monthly instalment into a savings account. The money will serve a useful purpose some day.

Of course, occasions may arise when a loan is needed to take advantage of a special opportunity or to pay an unexpected bill. Remember that "Old Faithful" stands ready to help you with a low-cost bank loan.

You can always depend upon our friendly, courteous service. It will be a pleasure to serve you again.

Sincerely yours,

#### Promotion Letters to Special Business Groups

The following letter, used by P. B. Garrett, president, Texas Bank & Trust Company, Dallas, Texas, has produced substantial results in the opening of new accounts:

Dear Mr. Jones:

You are an important factor in the Acme Company, which has its place of business very near the Texas Bank & Trust Company. We should like very much to serve you, and we know you will find it convenient and pleasant to do business with a friendly bank so close to your door.

It is our privilege to serve an ever-increasing number of our neighbors, and we cordially invite you to make use of the up-to-the-minute facilities available to you here. Many who are associated with your company are already doing business with us, and we are grateful for their patronage.

You will find the personnel of this bank genuinely interested in making you feel at home. We are easy to know and always have time to serve you. Won't you stop for a visit soon?

Sincerely yours,

The National Bank of Tulsa, Oklahoma, sends the following letter to persons who have offices in its bank building. The message is signed by P. J. Teichman, assistant vice-president, who finds it effective in developing new contacts for the bank:

Dear Mr. Leland:

You make your working home in our bank building, and this makes us neighbors in a very real sense. Like good neighbors, we shall welcome an opportunity to get better acquainted with you.

Please consider this note a cordial invitation for you to stop at my desk whenever you have a convenient moment. It will be a pleasure to talk with you, and to provide any banking service that may be helpful to you.

Sincerely yours,



# GOVERNMENT BONDS

MURRAY OLYPHANT

So much has been said lately about the new financing objectives of the incoming management in the Treasury Department that it might do no harm to examine the outlook on a factual basis. When we do, we may come to the conclusion that, "objectives" or no, 1953 is not likely to see any very radical change in the type of refunding which will have to be done.

Not far from \$63.5-billion of U. S. Government securities mature during 1953. This is just about 37 percent of the currently outstanding marketable debt. At first sight it would look as though this gave the new pilots of the Treasury Department a real opportunity

to steer the ship away from the threatening shoals of early maturities and get out toward the deeper water where it would not be necessary to change the course and trim the sails at such short intervals.

## Problem Is One of Ownership

Unfortunately an examination of the nature of the maturities and the character of their ownership leads to the conclusion that—even if desirable—not very much progress can be made this year. The maturities of the marketable debt within the year comprise the following:

About \$17,200,000,000 Treasury bills  
 " \$ 4,500,000,000 tax anticipation bills  
 " \$16,700,000,000 Treasury certificates  
 " \$10,500,000,000 Treasury notes  
 and " \$ 8,000,000,000 Treasury bonds  
 for a total of

about \$56,900,000,000

To which must be added maturities in the nonmarketable classification of about \$6.5-billion consisting of:

About \$ 298,000,000 savings notes  
 " 5,100,000,000 Series E Savings Bonds  
 " 189,000,000 Series F Savings Bonds  
 and " 940,000,000 Series G Savings Bonds  
 \$6,527,000,000

## U. S. Debt Ownership August 31, 1952

(000,000 omitted)

Owned by—

		Commercial Banks	All Others	Federal Reserve Banks	U. S. Government Investment A/C	Savings Banks and Insurance Companies
<b>Marketable</b>	<b>8/31/52</b>					
Bills.....	\$ 17,206	\$ 4,722	\$ 11,351	\$ 398	\$ 77	\$ 658
Certificates.....	28,019	6,335	9,151	11,890	79	564
Notes.....	18,974	10,390	2,640	5,568	1	374
Bonds.....	79,814	32,909	22,655	5,236	2,299	16,714
Other.....	134	14	91	.....	27	1
<b>Total.....</b>	<b>\$144,148</b>	<b>\$54,372</b>	<b>\$ 45,889</b>	<b>\$23,092</b>	<b>\$ 2,483</b>	<b>\$18,311</b>
<b>Nonmarketable</b>						
Savings Notes.....	\$ 6,330	\$ 72	\$ 6,187	.....	\$ 7	\$ 64
Savings Bonds.....	57,753	1,375	54,904	.....	21	1,454
Depository Bonds.....	385	385	.....	.....	.....	.....
Tr. Bonds Inv. Series A & B...	14,137	382	4,154	714	3,538	5,348
<b>Total.....</b>	<b>\$ 78,605</b>	<b>\$ 2,214</b>	<b>\$ 65,245</b>	<b>\$ 714</b>	<b>\$ 3,566</b>	<b>\$ 6,866</b>
<b>Total Public.....</b>	<b>\$222,753</b>	<b>\$56,586</b>	<b>\$111,134</b>	<b>\$23,806</b>	<b>\$ 6,049</b>	<b>\$25,177</b>
Special Issues.....	38,307	.....	.....	.....	38,307	.....
Guaranteed.....	38	8	11	.....	.....	18
<b>Total Interest Bearing.....</b>	<b>\$261,098</b>	<b>\$56,594</b>	<b>\$111,145</b>	<b>\$23,806</b>	<b>\$44,356</b>	<b>\$25,195</b>
Bearing No Interest.....	2,126	.....	.....	.....	.....	.....
<b>Total Gross Debt.....</b>	<b>\$263,224</b>					
% of Marketable Debt.....		38%	32%	16%	2%	12% = 100%
% of Gross Debt.....		22%	42%	9%	18%	9% = 100%

Already owners of maturing Series E Savings Bonds have been given the right to extend their maturity for 10 years at a somewhat better rate. Series F and G bonds will perhaps get similar treatment. This non-marketable category presents no real problem at the moment.

But the nearly \$57-billion of marketable issues is another story. Two questions must be answered. Who owns these issues? And will the owners be willing—to any worthwhile extent—to accept a new issue to replace their present holdings if the new issue does not mature within a reasonably short time—say five years at the most?

We can get a pretty logical answer to these questions by taking the Treasury report of the ownership of the debt as of August 31, 1952, which is the latest available. Since then there has not been any material change in character of ownership. Rearranging the Treasury schedules somewhat for our purposes, this was as shown on page 64.

### Short Maturities Needed

It will be seen at once that the great part of the bills, certificates, and notes are held by commercial banks, "all others"—which to a large extent are corporations—and the Federal Reserve banks. Both commercial banks and corporations under present conditions are not at all interested in anything but early maturing issues.

The banks are interested in the maintenance of secondary reserves. Now that the longer maturities no longer have any floor under prices from official sources, and increased income is being received from the loan portfolios, maturity extension involves market risk, which they do not wish to assume. Corporations are not investors. Their Government holdings are largely held in lieu of cash shortly to be needed for tax payments. The Federal Reserve banks have given evidence of their preference for early maturities by their exchanging all of their \$2.7-billion  $2\frac{3}{4}$  percent bonds 1980/75 for the four series of  $1\frac{1}{2}$  percent notes.

The only groups of possible takers of long-term bonds are the savings banks and insurance companies, which held only a little over \$1.5-billion of bills, notes, and certificates. Both are today still finding excellent use for their increasing resources in other than Government issues. What both hold of shorter maturities seems necessary for liquidity. The amount is certainly not excessive.

True, one bond issue matures on September 15, but here again the ownership is similar to that of the bills, certificates, and notes. Of the nearly \$8-billion outstanding, almost three-quarters are owned by commercial banks, "all others," and the Federal Reserve banks. A new 25- to 30-year bond does not fit their books.

### More of Same in 1953

Doesn't it look as though—in spite of all the comment on the desirability of the objective to "fund the floating debt"—the new pilots of the debt policy would have to move very slowly and carefully if undue attrition on the successive refunding operations were to be avoided. Such attrition would not help to balance the cash budget. There will have to be a very

(CONTINUED ON PAGE 132)

## Investment Markets

H. EUGENE DICKHUTH

LARGER bond flotations and smaller stock offerings featured the 1952 investment markets. Municipal financing, specifically, was at record levels, and indications are that the volume will be maintained if not increased in 1953, owing to the vast number of projects planned by states and municipalities.

Swelled by large issues of Federal Land banks, Intermediate Credit banks, state, municipal, and railroad securities, total 1952 public offerings of bonds amounted to \$7,855,933,000 for 909 individual issues. It was the highest since 1926 and compared with \$5,723,333,000 for 726 issues in 1951.

New stock flotations in 1952 were \$937,159,000, represented by 174 issues. They were the largest since 1946, when \$1,336,656,065 worth of stocks were offered in 369 issues. The comparable 1951 figures were \$794,784,000 for 142 issues.

The underwriting markets, in other words, have done quite well and there can be little cause for complaint. With slightly higher interest rates, there are also slightly higher profit margins to be expected for the underwriters and, conversely, slightly larger borrowing costs.

Excluded from the above bond and stock offerings in 1952 were, of course, the private placements which are corporate borrowings placed directly with insurance companies and other lenders without a public offering.

No official statistics are available for this type of financing, merely trade estimates. Final 1952 estimates will not be available for another month, but informed sources say that last year's private placements amounted to about \$4-billion, which was the same figure for such 1951 financing made a year ago. Subsequently, this figure was raised to about \$5-billion for 1951. Guestimates are now that 1952 private placements were probably a little below those made in the preceding year.

While there arises always a certain amount of confusion because of overlapping statistics compiled by various groups, there seems to be no doubt that the greatest bulk of all 1952 financing was on private account.

New plant and equipment expenditures ranked first in the demand for new capital in the first nine months. They did not quite come to \$5-billion, and they were about \$1-billion higher than in 1951. The remainder went towards additional working capital and repayment of debt and capitalization.

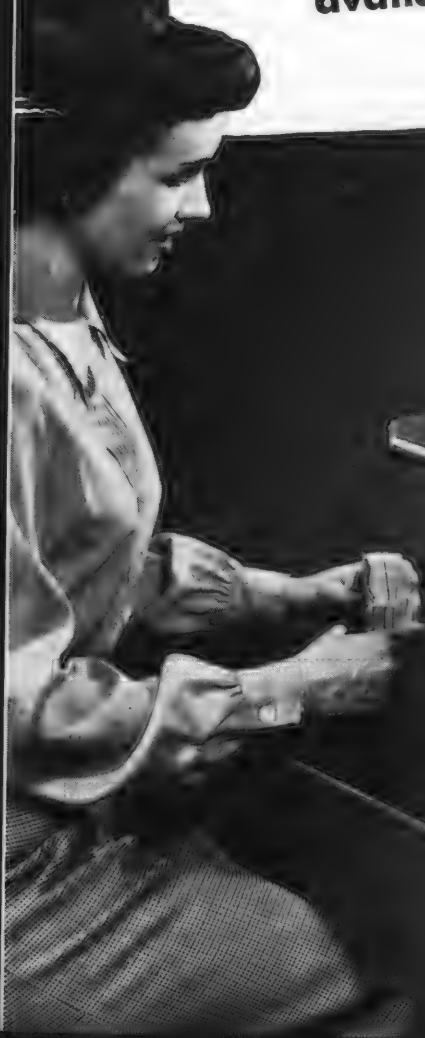
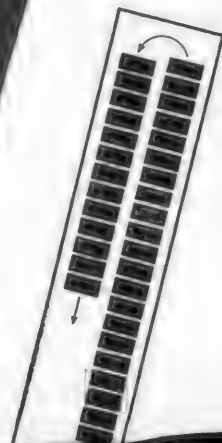
Thus, it would seem to follow that rearmament activities plus normal civilian expansion, caused by greater technology and otherwise, were the chief sustaining factors for the investment markets last year.

So far as 1953 is concerned, the SEC estimates that the final quarter of 1952 and, at least, the first three months of 1953 will produce new highs in capital outlays. Expenditures in these quarters have been scheduled at seasonally adjusted annual rates of \$28.3-billion and \$28.7-billion, respectively. This compares with actual outlays at the annual rate of \$27.4-billion in the first two quarters of last year and with \$25.7-billion in the third quarter.

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# Banks' Advertising Expenditures

Following is a brief glance at some of the data compiled by the American Bankers Association Advertising Department in its annual survey of commercial bank advertising plans. The survey was conducted under the direction of JOHN B. MACK, JR., former manager of the department, and G. EDWIN HEMING, the present manager.

The department expresses its appreciation to all the bankers who, by answering the questionnaire, made this study possible. They will soon receive a detailed summary of the complete study. A limited number of extra copies will be available to others on request from the A.B.A. Advertising Department, 12 East 36th Street, New York 16, N. Y.

**B**ANK advertising will hit a new high in 1953. Based on a current survey made by the American Bankers Association's Advertising Department, commercial banks plan to spend an estimated \$61,000,000 this year—an increase of more than 27 percent over 1952. Banks in every size group will spend more this year than last. The trend has been steadily upward since 1946, when these annual surveys began, except in 1950 when there was a slight drop from the previous year. The 1953 expenditure is more than double the amount spent in 1946.

Shown graphically with this article are the average 1953 expenditures for commercial banks, grouped according to size. The Advertising Department is preparing a detailed chart showing these average expenditures for banks in each size group from \$1,000,000 to \$10,000,000 in deposits. The figures for banks in the groups from \$10,000,000 to \$25,000,000 will be further broken down at \$5,000,000 intervals; and the figures for banks in the groups \$25,000,000 to \$100,000,000 at \$25,000,000 intervals. Space limitations prohibit publication of this detailed data here, but the complete figures will be sent to all banks that participated in the survey. Copies will also be sent to others on request, as long as the supply lasts.

A word of caution. In using these figures, remember that they are *averages*, and nothing more. They should *not* be considered as a suitable guide for your

own advertising appropriation. The A.B.A.'s recommendation has always been that each bank base its advertising expenditure on the "job to be done." Don't let the fact that you are spending more than the average of other banks in your size group influence you to reduce your expenditure. Most banks spend far too little to do a really good job of advertising, so be sure that your advertising appropriation is large enough to accomplish what you set out to do.

In the current survey, banks were asked which services they plan to advertise this year, and which would be given greatest emphasis. For the second year in a row, savings and thrift topped the list of services which will be given greatest emphasis. This trend reflects banking's desire to combat inflation, and to make a strong bid for savings business in the year ahead. There is a growing realization on the part of banks that new savings accounts can be obtained by the use of positive advertising on a sustained basis, even in areas where competing organizations offer a higher rate.

Checking accounts are second on the emphasis list, indicating that banks will concentrate on attracting deposits, and then go after auto loans, personal loans, mortgage loans and farm production loans. The emphasis chart accompanying this article shows the complete list of services banks will advertise, and how banks rated them in importance the past eight years.

## 1953 ADVERTISING EXPENDITURES—ALL COMMERCIAL BANKS IN THE U. S.

Deposits	Number of Banks in U. S.	Number of Questionnaires Returned	1953 Average Expenditure (for banks listing same)	1952	1951	1950	1949	1948	1947	1946
Under \$1-million.....	2651	138	\$557	\$445	\$485	\$410	\$450	\$385	\$285	\$266
\$1-million to \$5-million....	7459	1098	\$1235	\$1165	\$1025	\$900	\$1050	\$900	\$760	\$698
\$5-million to \$10-million...	2017	453	\$3471	\$3216	\$2710	\$2600	\$2500	\$2265	\$2160	\$1780
\$10-million to \$25-million...	1144	336	\$7498	\$6747	\$6335	\$5970	\$5540	\$4765	\$5030	\$4383
\$25-million to \$75-million..	471	159	\$20,015	\$17,435	\$15,945	\$16,020	\$15,854	\$12,835	\$15,390	\$23,954
Over \$75-million.....	268	101	\$86,410	\$71,697	\$67,520	\$56,750	\$55,400	\$64,120	\$62,750	
TOTALS.....	14,010	2285								

Based on this survey, the Advertising Department estimates total advertising expenditures for all commercial banks in U. S. for 1953 to be about \$61,000,000.

# Will Hit New High in Current Year

Another question asked in the survey was: "What do you think is the major bank advertising job to be done in 1953?"

As in former years, answers to this question cover a lot of ground, many of which are difficult to classify. Nevertheless, far out in front, is the importance of selling savings and thrift. Second on the list is selling other bank services, and, third, educational advertising that will help the public to have a better understanding of banks and their service to the community.

This is how some of the bankers expressed themselves: "Encourage old-fashioned thrift and teach the people that the Government can't be Santa Claus forever."

"Switch the public from spending all to saving some of their income."

"Promote and establish the theory that now is the time to save. This will accomplish three things: (1) Add to the bank's deposits; (2) foster a better national economy; and (3) brighten the future outlook of the individual."

"Continue to sell our services from the standpoint of the benefit to the customer. Such an approach must sell our banking system."

"Our major job is to attract a greater volume of deposits to keep in line with the mounting demand for bank credit."

"The principal job is to reach the mass market. Bank customers are still a minority group in a great many communities. By remembering this we will help sell America on our present dual banking system."

"To sell high school students and other young folks that banks are the best place to save."

"To inform people of the bank services offered and the advantages of doing all banking in one place—savings as well as commercial."

"To teach the fundamentals of banking."

"To continue to promote services that will attract people who are not presently bank customers and, by so doing, sell the private banking system."

Other popular themes are: Stressing advantages of independent banking over PCA's and other governmental agencies; pointing out the differences between banks and savings and loan associations; building confidence in sound, private, free enterprise banking.

**BANKS** will use practically the same media as they have in the past. Newspapers continue to occupy the number one spot, followed by printed literature, calendars, lobby displays, and radio. The following is a list of media which banks said they would use this year, in the order of the greatest number of mentions by banks answering the A.B.A. questionnaire:

Media	Number of Mentions	Position in 1953
Newspaper	2071	1
Printed literature	1358	2
Calendars	1302	3
Lobby displays	1000	4
Radio	787	5
Letters	687	6
Window display	599	7
Specialties	561	8
Outdoor billboards	425	9
Movie and theater	361	10
Car and bus cards	201	11
Television	87	12

## EMPHASIS CHART

FIGURES GIVEN INDICATE TOTAL NUMBER OF BANKS WHICH WILL GIVE FIRST, SECOND, OR THIRD EMPHASIS TO THAT PARTICULAR SERVICE

1953 Service	Number of Mentions	1953	1952	1951	1950	1949	1948	1947	1946
Savings, thrift	1545	1	1	2	2	2	2	8	10
Regular checking	1408	2	2	1	1	1	1	5	8
Auto loans	899	3	3	3	3	3	3	1	1
Personal loans	489	4	4	5	6	9	5	3	3
Mortgage loans	411	5	6	6	4	5	4	2	2
Farm production loans	352	6	5	4	5	4	6	4	4
Bank-by-mail	351	7	7	7	7	7	13	15	13
Repair loans	315	8	8	11	10	11	8	9	6
Special checking	276	9	10	13	11	8	12	10	11
Safe deposit	241	10	12	10	12	13	14	16	15
Institutional	231	11	9	12	13	12	11	12	12
Business loans	216	12	11	8	8	10	9	7	7
Farm equipment	201	13	13	9	9	6	7	..	..
Trust services	169	14	14	14	14	14	..	..	..
Home appliance loans	161	15	15	15	15	15	10	6	5
Life insurance loans	101	16	16	16	16	17	17	13	9
Educational	87	17	17	17	17	16	16	14	14

# Push-Button Chores



Here's a farmer whose tractor not only hustles his field work—it also helps with the chores! He stays right on the tractor seat, unhooks from implement, makes one-minute hook-up to Case Utility Carrier. He hauls milk cans, bales of hay, feed in bags or bulk, animals in rack or crate.

Because the Utility Carrier lets down to ground level, he has no high, heavy lifting. He just rolls on such awkward items as drums of oil, barrels of salt, woven wire fencing. Then he touches the hydraulic control and up comes Utility Carrier, load and all, ready to ride anywhere around the farmstead or along the road.

The time-saving, back-saving convenience of Utility Carrier is just one of a dozen directions in which Eagle Hitch Farming unfolds new horizons for farmers. Its diverse, distinctive advantages can only be summarized as a brilliant new way to do farm work. Case tractors and implements for Eagle Hitch Farming are a sound basis for constructive credit. Case encourages dealers and customers to place their financing with local institutions. J. I. Case Co., Racine, Wis.

## EAGLE HITCH Farming



**Versatile is the word** for Utility Carrier. It works on all three sizes of Case tractors with Eagle Hitch. It may be used with flat platform bed, with tight box, or with removable rack for loose forage and live animals. When fitted with spray rig for applying modern chemicals to field and truck crops, the hydraulic lift serves as a simple, convenient means to adjust height of nozzles for most effective application to plants in various stages of growth. It also facilitates refilling.

# CASE

SERVING FARMERS SINCE 1842





Agricultural Credit Textbook Critic Committee meeting in New York. Left to right around table, Miss Whyte and Messrs. Hart, Love, Stebbins, Savidge, Brown, and Jesness. Standing, Drs. Lewis and Butz

## News for Country Bankers

This department is edited by  
MARY B. LEACH of BANKING's staff.

### Ag Credit Text Group Meets

THE 21 chapter manuscripts prepared for the forthcoming American Institute of Banking textbook on agricultural credit were reviewed and edited recently at a meeting in New York of this text's Critic Committee.

The chapters were prepared by members of the A. I. B. Textbook Committee of the American Bankers Association's Agricultural Commission, of which George H. Stebbins, president, Simsbury (Connecticut) Bank & Trust Company, is chairman. At the conclusion of the meeting of the Critic Committee, manuscripts were given to Dr. Van B. Hart, professor of farm management, New York State College of Agriculture, Cornell University, for editing. When Dr. Hart has concluded his work, the entire committee will meet to give final approval to the manuscripts before they are

turned over to the A. I. B.'s textbook editorial staff. No publication date has yet been set.

Attending the Critic Committee sessions were: Chairman Stebbins; Dr. Hart\*; Dr. O. B. Jesness,\* chief, Division of Agricultural Economics, University of Minnesota, St. Paul; Dr. Harry M. Love,\* head, Department of Agricultural Economics and Rural Sociology, Virginia Polytechnic Institute, Blacksburg; Dr. E. L. Butz, head, Department of Agricultural Economics, Purdue University, Lafayette; A. G. Brown, A. B. A. deputy manager in charge of the Agricultural Commission; Edgar T. Savidge, secretary, Agricultural Commission; Dr. Leroy Lewis, national educational director, A. I. B.; Marion Turner, assistant to educational director and textbook editor; and Frances Whyte, textbook editorial staff.

Further details about the text on agricultural credit, together with the chapter topics and authors who

\* Members Advisory Council of the Agricultural Commission.

are members of the textbook committee, may be found on page 60 of April 1952 BANKING. In addition, Percy Winslow, vice-president and cashier, Northern National Bank, Presque Isle, Maine, has written on "Financing the Potato Industry."

### Eisenhower Appoints Advisors

IN keeping with his campaign promise, before taking office, President Dwight D. Eisenhower named a 15-man bipartisan interim agricultural advisory committee to work with Secretary of Agriculture Ezra Taft Benson and his staff in formulating the new Administration's farm program. The committee is composed of the following agricultural authorities:

William I. Myers, dean of the Agricultural College at Cornell University since 1943, who is chairman of the group. He has served on many Federal commissions and boards dealing with farm matters and is also a director of several corporations.

Henry T. McKnight, Vienna, Virginia, secretary. In addition to operat-

ing a cattle farm in Virginia, he is president, Cornwell, Inc., an agricultural advertising firm, Washington, D. C.; vice-president, Forest Farmers of America and of American Forestry Association; director of National Farm Chemurgic Council; and agricultural liaison director of the Farm Division of the Republican National Committee.

Jesse W. Tapp, San Francisco, vice-president, economist, and advisor on agricultural financing policies, Bank of America. (Mr. Tapp is a member of the A.B.A.'s Agricultural Commission and is chairman of the Commission's Farm Credit Committee.)

John H. Davis, Boston, executive vice-president of the National Wool Marketing Corporation.

Carl Farrington, Minneapolis, associated with the Archer-Daniels-Midland Co.

Harry B. Caldwell, Greensboro, North Carolina, master of the North Carolina State Grange.

Romeo Short, Brinkley, Arkansas, vice-president of the American Meat Institute.

D. W. Brooks, Atlanta, Georgia, general manager of the Georgia Cotton Producers Association.

Milo Swanton, Madison, Wisconsin, executive secretary of the Wisconsin Council of Agriculture.

G. Burton Wood, Corvallis, Oregon, head of the Agricultural Economics Department at Oregon State College.

Albert Mitchell, Albert, New Mexico, president and general manager of the T. E. Mitchell & Sons Cattle Ranch.

Robert R. Coker, Hartsville, South Carolina, president of Coker Pedigreed Feed Co.; former member of the Agriculture Department's Planning Committee on Research and Marketing; first president, South Carolina Farm Bureau; and former vice-president, National Cotton Council of Hartsville.

Chris Milius, Omaha, president of the Nebraska Farmers Union.

Harry J. Reed, of West Lafayette, Indiana, dean of the Agriculture College of Purdue University.

Homer Davison, Chicago, vice-president of the American Meat Institute.

## Reforestation Promotion

**I**N an unusual program to help promote reforestation in Georgia, the Fulton National Bank of Atlanta recently mailed a large lobby display to 250 Georgia banks and over half a million folders on the subject of planting and protecting pine trees.

President Erle Cocke said that the concerted drive seeks to encourage and help the state's farmers to plant a large part of their 2,500,000 acres of idle farm land with pine seedlings. The 250 banks to which the displays were mailed, he pointed out, were those Georgia banks who bought mechanical tree-planters in 1950 and made them available for free use to the farmers in their respective communities.

Reporting on the progress that has been made in the Georgia bank tree-planting program, Mr. Cocke said that 36-million pines were planted under the program in 1950 and 26-million in 1951. The latest available figure for 1952 indicates that over 55,000,000 seedlings had been ordered and delivered to farmers by mid-December, enough to plant approximately 55,000 acres.

According to Mr. Cocke, the lobby display and folders are designed to help the bankers participating in the program to keep the subject of tree-planting before the farmers so that orders for seedlings in 1953 will continue to increase. He also declared that much of the literature which is being sent out is on the subject of fire control and proper thinning and harvesting of trees.

Fulton's president, Erle Cocke, with Guyton DeLoach, director, Georgia Forestry Commission, examining one of bank's new lobby displays. Displays have four pockets for forestry literature and are so arranged that each bank may place its own name on the exhibit



H. Dale Smith, standing, cashier, High Springs (Florida) Bank and chairman, agricultural committee of the Florida Bankers Association, presiding at the FBA's fourth bankers' agricultural conference at the University of Florida, Gainesville

The folders were provided by several organizations interested in Georgia forestry.

## Bank Treats Teachers, Students

**A**N annual outing for agricultural students and teachers at the Utica, Ohio, high school has become a tradition with the Utica Savings Bank. The 1952 fall outing was to Cleveland, where a party of about 65 visited Swift & Co. packing plant and the Federal Reserve Bank.

The group lunched in the Federal Reserve cafeteria and had dinner in Oberlin, where they visited Oberlin College.

President Dwight M. Warner and his brother, Paul A. Warner, president of the Oberlin Savings Bank, were in charge of arrangements.

## True D. Morse Views

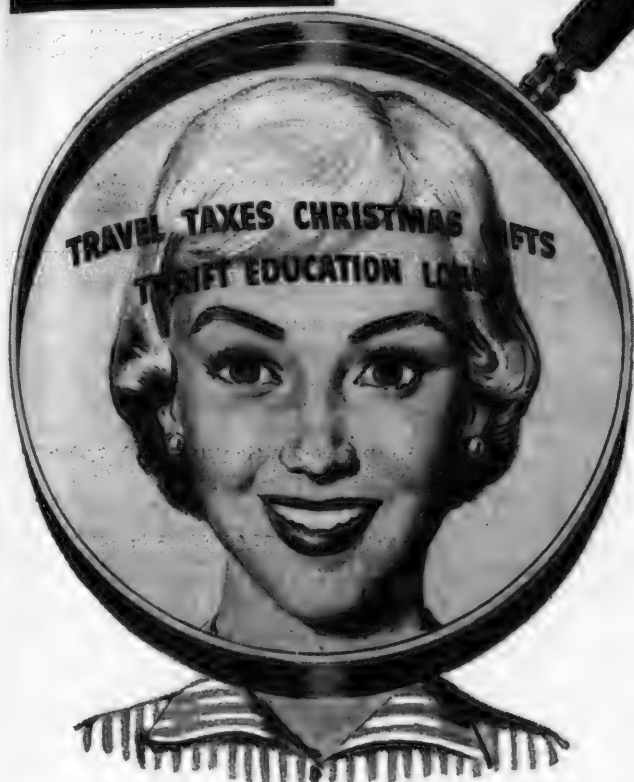
**S**HORTLY before the announcement that True D. Morse had been chosen by President-elect Dwight D. Eisenhower as Under Secretary of Agriculture, Mr. Morse spoke at the National Agricultural Credit Conference of the American Bankers Association in Louisville and at a conference of bank correspondents conducted by the First National Bank of St. Louis.

Here, in brief, are some of the points made by Mr. Morse in St. Louis:

"Election results will work no miracles for farmers and those financing and working with them. Programs should develop slowly. More trial and error can be expected. . . .

(CONTINUED ON PAGE 74)





*Christmas Club, A Corporation, originator of the Christmas Club plan, is constantly developing and maintaining a thrift service for financial institutions and the people. For over forty years, Christmas Club, A Corporation, has taught millions of Americans the importance of thrift and has built business for financial institutions.*

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**BUILDS SAVINGS • BUILDS CHARACTER • BUILDS BUSINESS FOR FINANCIAL INSTITUTIONS**

## News for Country Bankers

(CONTINUED FROM PAGE 72)

"There will be important changes. Administrative decisions on matters like ceilings, supports not fixed by law, marketing of Government owned grain and other commodities, exports and marketing agreements, can be made with limited delay as the Republicans take over. . . .

"Economic forces will be the dominating influence regardless of the party in power. These build up from season to season and year to year. They set prices far more than any governmental program. . . .

"It will take wise credit management to keep farm borrowers in a sound financial condition. It will take able bankers to loan enough to deserving farmers, without taking risks which neither the farmers nor the banks can afford to assume. . . .

"It will take a lot more capital to step up the farm output by one-fifth by 1955. Farmers hesitate to make such rapid investments—because of fear of future prices and market demands. . . .

"Price supports are being projected ahead. Before Congress adjourned, mandatory supports at 90 percent of parity were voted for basic crops for the years 1953 and 1954. . . .

"Never before has this nation faced the possibility of such rapid population growth. It strongly supports the business of farming, and

J. S. Armstrong, executive vice-president, The Grove City (Pennsylvania) National Bank, congratulates agricultural short course scholarship winner Oakes while Cashier Norman S. Crill watches



Officials of Louisiana State University and Louisiana Bankers Association, cosponsors of the Bankers Agricultural Credit School, talk things over after the first session. Left to right, Agricultural College Dean J. G. Lee, LSU President Troy H. Middleton, LBA President Frank E.

Patenotte, and LBA Agricultural Committee Chairman Elton Beaulieu



especially livestock and dairy farming, for the future. . . .

"Debts of farmers are going up—and certainly bankers are alert to the changed debt pattern of farmers. More debts are now secured by chattels than farms. Non-real-estate debts reached a new high of \$7.1-billion last January—up 18 percent in a year and continue to go up rapidly.

"1953 will be another profitable year for efficient farmers. They should push for full production—but urge all farmers to keep their financial position well protected."

Excerpts from Mr. Morse's Louisville address may be found beginning on page 67 of December BANKING.

Before taking office, Under Secretary Morse was president of Doane Agricultural Service, Inc., and editor of the *Doane Agricultural Digest*.

### Short Course Scholarship Award

THE Grove City National Bank, Grove City, Pennsylvania, for the second year, has made a scholarship award for a short course in agriculture at Pennsylvania State College. This annual award is made to a young man who must be a high school graduate, interested in farming, a resident of the Grove City trading area and not over 25 years of age. The selection is made from the list of applicants by three judges, none of whom is connected with the bank.

The bank pays all essential expenses for the four weeks course, including transportation to and from State College. This year's winner was Ralph T. Oakes of Jackson Township, Mercer County, Pennsylvania. Mr. Oakes, like last year's winner, specializes in dairy farming.

In addition to his leadership in the Future Farmers of America, he is active locally in many other fields.

### \$4,000 Youth Trust Fund

AN agricultural trust fund amounting to \$4,000 has been created by the Carolina National Bank of Anderson, South Carolina. It will be administered by a board of trustees named by the directors of Carolina National.

Last summer the bank lent \$3,800 to 4-H Club members to finance the purchase of registered Holstein calves. Officers were so pleased with the success of the project, that they decided to set up the foundation fund to assist young farmers and youth groups to get started in agricultural pursuits and to foster sound agricultural practices.

President Donald E. Brown announced the creation of the trust.

### N. Y. Gives 27,580 4-H Pins

KEY bankers appointed by the New York State Bankers Association awarded 27,580 bronze, silver, and gold 4-H achievement pins this past fall. Special ceremonies were held in many areas at which these pins were awarded on behalf of NYSBA member banks.

The bronze pins are awarded for supervised agricultural projects accomplished in the first to fourth years, the silver for the fifth to ninth years, and the gold from tenth to twelfth years.

### Wisconsin Banker Services

THE credit council of the Wisconsin Bankers Association sent a year-end summary to members of opinions on various aspects of agriculture. (CONTINUED ON PAGE 123)



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# MANUFACTURERS TRUST COMPANY

## Condensed Statement of Condition December 31, 1952

### RESOURCES

Cash and Due from Banks . . . . .	\$ 992,561,939.67
U. S. Government Securities . . . . .	805,482,859.97
U. S. Government Insured F. H. A.	
Mortgages . . . . .	80,165,146.58
State, Municipal and Public Securities	115,564,750.65
Stock of Federal Reserve Bank . . . . .	4,511,700.00
Other Securities . . . . .	28,225,391.02
Loans, Bills Purchased and Bankers'	
Acceptances . . . . .	874,944,866.41
Mortgages . . . . .	11,663,820.07
Banking Houses . . . . .	13,572,525.15
Customers' Liability for Acceptances	14,920,607.88
Accrued Interest and Other Resources	7,360,933.51
	<u>\$2,948,974,540.91</u>

### LIABILITIES

Capital . . . . .	\$ 50,390,000.00
Surplus . . . . .	100,000,000.00
Undivided Profits . . . . .	20,637,733.59
Reserves for Taxes,	
Unearned Discount, Interest, etc. . . . .	22,240,907.58
Dividend Payable January 15, 1953 . . . . .	1,763,650.00
Outstanding Acceptances . . . . .	15,790,676.68
Liability as Endorser on Acceptances	
and Foreign Bills . . . . .	9,661,791.58
Other Liabilities . . . . .	1,993,960.45
Deposits . . . . .	2,726,495,821.03
	<u>\$2,948,974,540.91</u>

*United States Government and other Securities carried at \$138,277,361.50 are pledged to secure public funds and trust deposits and for other purposes as required or permitted by law.*

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# Agricultural Outlook Charts

THE United States Department of Agriculture's new fact book, *Agricultural Outlook Charts 1953*, contains a vast store of data on a variety of agricultural topics presented in chart and tabular form.

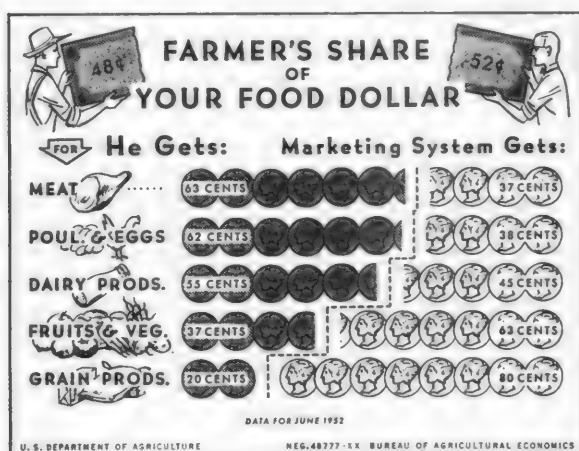
This compilation covers prices and income, changes in agriculture, such as the increasing use of machinery and the declining use of horses and mules, major uses of croplands, and the size of the agricultural industry as reflected by the farm balance sheet. In addition, there are many charts covering markets and marketing, food consumption in relation to production, with particular emphasis on livestock, meat, and grain. The whole area of farm commodities, including cotton, wool, and tobacco, dairy and poultry products, fats and oils,

fruits, and vegetables are also charted and tabulated.

These data are presented in visual form so that all may grasp the vital importance of agriculture in the production of food and fiber for use on the home front, by the armed forces, and by our allies in the world at large.

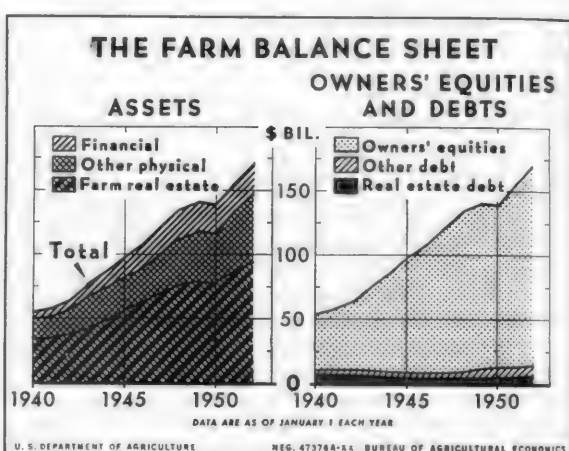
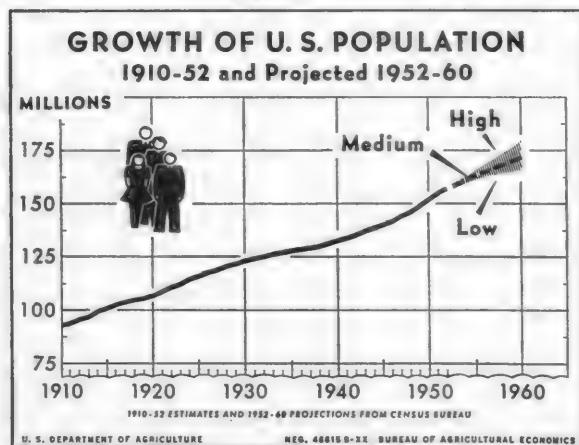
Individual copies of this book are obtainable from the Superintendent of Documents, U. S. Printing Office, Washington 25, at 40 cents each. Glossy prints of the charts are also obtainable from the Bureau of Agricultural Economics, USDA, Washington 25, at a small charge.

A few charts from this book are presented to illustrate their general interest and usefulness:



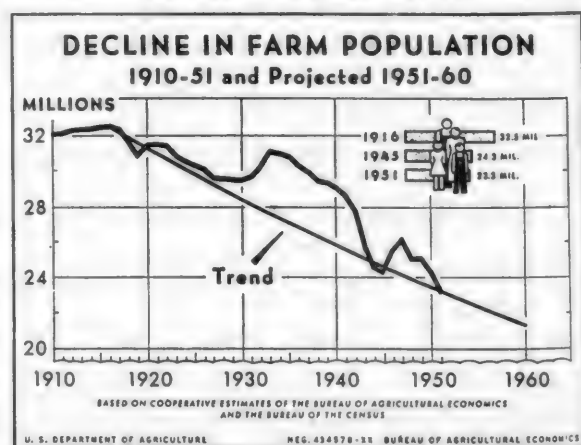
About 52 cents of every consumer food dollar in 1952 went to pay marketing charges after products left farms. Farmers got an average of 48 cents of food dollar, ranging from 63 cents for meats to 20 cents for grain products

The U. S. has grown from a population of 52,000 300 years ago, or less than the 1950 total for Muncie, Indiana, to 157,000,000 in July 1952. By 1960 it is expected that the U. S. will have a population of over 170,000,000

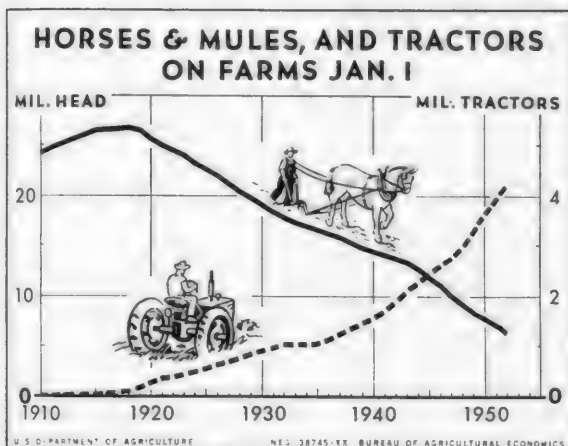
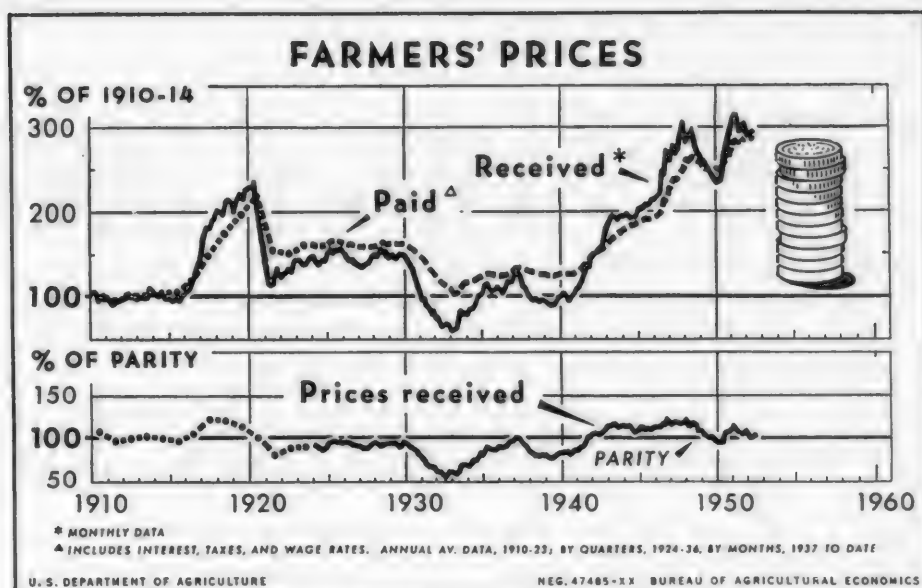


During last calendar year total agricultural assets increased about 9 percent to a record of \$169-billion. For period 1940-52 assets grew 214 percent, most of growth resulting from higher valuation of all farm property

Since the 1916 farm population peak, the trend in the farm population has been generally downward. World War II, with its demand for manpower in industry and armed forces, caused a rapid decline in the farm population

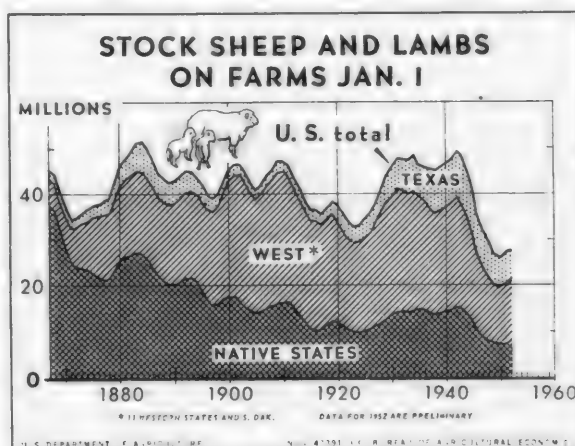
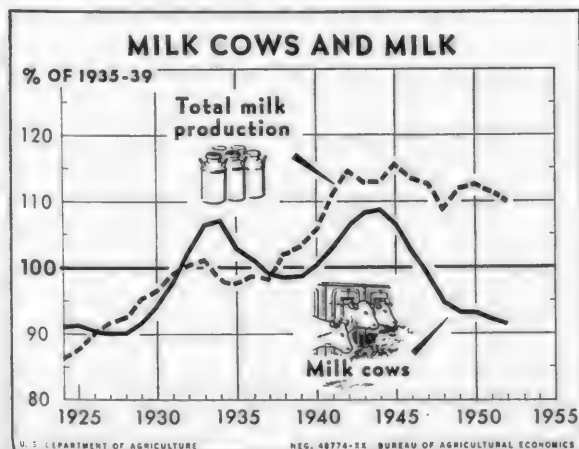


Following outbreak of the Korean "police action," there was substantial rise in general level of farm product prices; however, increased supplies and moderate weakening in demand resulted in price decline from early 1951. In March 1952 prices averaged nearly 8 percent below February 1951 peak. The parity ratio dropped during this period from 113 to 100. Average prices received by farmers rose a little from March to August and the parity ratio increased to 103



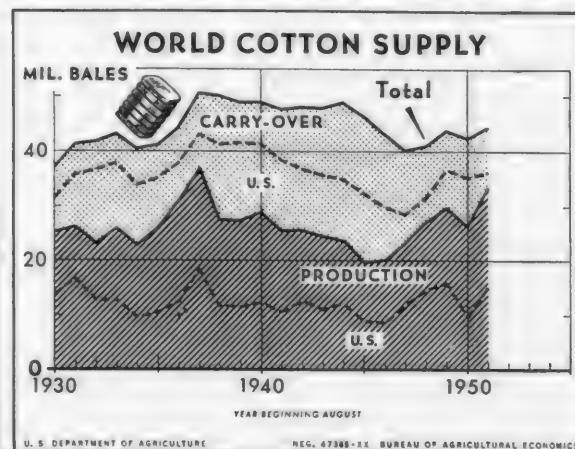
Today tractors supply 80 percent or more of field machine operating power. From January 1940 to January 1952 tractors on farms increased by 2.6-million or 170 percent

Milk cows in U. S. have declined 16 percent since 1944; decline since 1949 has been small. Production per cow in 1952 ran below 1951, after a steady increase from 1944



Sheep and lambs on farms increased slowly in 1950 and 1951, after an eight-year decline. Although supply in 1952 was larger than 1951, regaining of earlier levels unlikely

1951-52 world supply of cotton was about 44.5-million bales. Decrease in 1951-52 world consumption resulted in carry-over increase for 1952-53 of almost 3-million bales



# THE FAMILY DOLLAR

EARL S. MacNEILL

Vice-president, Irving Trust Company, New York

## Factors in Estate Planning: Taxation

**I**N this series of studies on the fundamentals of estate planning we treat of taxation first because it is usually first in the mind of the estate owner—and may too easily take first place in the mind of the planner.

It comes first, commonly, because promotional material designed to stir customers and prospects to action has featured tax costs and methods of avoiding them, so a man will be persuaded to set up a wise and sensible program for the welfare of his family—badly-needed and long overdue—under the impulsion of a fear that taxes somehow will eat up his estate. The tax liability actually may be trivial and the over-all chaos of his affairs great; yet the triviality occupies the forefront of his mind.

Trust companies have used the "tax approach" more freely in the past than they generally do at present; there is a cautious desire to keep taxes in their place. Taxation remains the starting point, in many instances, but progress is made rapidly to considerations more intrinsically important.

Prudence has been stimulated by the increasing tendency of judges to penetrate "fictions" and set aside "shams." There is a searching for dominant motives, and, if these add up to the equivalent of having cake and eating it, the result may be quite unpalatable to the taxpayer.

**T**AKE, for example, so traditional an action as giving away large portions of one's estate while living. This has been done since time immemorial, and certainly one of the commonest reasons has been to save estate taxes. Indeed, this was a reason openly acknowledged if not flaunted in reliance upon the doctrine, stated time and again by our sternest judges, that so long as methods of tax avoidance were legal, the motives didn't count. Yet not so long ago the United States Supreme Court held that if the desire to save estate taxes was the predominant motive behind large lifetime gifts, then the gifts were made in contemplation of death and should be included in the giver's taxable estate for that reason.

So now, where a program of large-scale lifetime giving is contemplated, there is a conscious search for motives associated with continued living: a desire to free one's self of responsibility for management; desire to reduce the family total of income taxes by dividing income-producing property among the lower-bracket taxpayers in the family group; desire to foster a sense of financial responsibility in children by giving them something to be responsible for; affection for grandchildren evidenced by building up funds for their education—such motives as these.

It comes down to this, then, that when a man (or woman) of means comes to us for suggestions as to the best disposition of his estate so that tax liability may not be incurred beyond the point of practical necessity, we generally view his problems from three angles.

*First*, we look to estate tax economy within the structure of his will. The marital deduction, generously granted by Congress, has become just about the most potent tool for estate tax saving that there is. Most often the testator desires that his estate should obtain the maximum deduction. There are cases, of course, where taking the deduction in the estate of the first to die will increase the tax in the surviving spouse's estate to the point where nothing in the aggregate is gained save only the use of the "deferred" tax during the surviving spouse's lifetime. There are cases, too, where the testator is unwilling to pay what is in effect the price for the deduction, which is giving the spouse—in one way or another—control over the ultimate disposition of half of the testator's estate. But considerations of tax economy do not stop with the marital deduction. There can be savings of *second* and even *third* sets of estate taxes by trusts that bridge the generations, so that distributions of principal can be made to grandchildren or even great-grandchildren without taxation other than that incurred by the original testator's estate. And these trusts can be made quite flexible by use of tax-free powers of appointment.



The *second* is a looking to tax economy during the estate owner's life. Thus, as has been mentioned, there may be immediate distributions—outright or in trust—of income-producing assets in a manner that will lessen the aggregate of family income taxes. It is important that there be every element of reality about these gifts; no manipulation of strings, no mere window-dressing. Natural motives should predominate; plans should not be artificial.

*Third*, we would look—and more and more are looking—to that phase of taxation that relates to its *payment*. Taxes are enough; it is worse that estates should be left in such a way that sacrifices are inevitable in the raising of money to pay taxes. Where an estate consists principally of “slow”

assets—notably, a business interest—the loss through forced liquidation may be even greater than the tax cost. So various means are sought to provide liquidity for such an estate; and some of these means will be discussed in later articles in this series.

THERE frequently are explorations in other directions, but these three are the principal angles of approach. And it must be kept in mind that they are approaches merely. All through the process of estate planning it will be stated and restated: Be practical; be natural. Let taxes stay in their place. There should be one first test always—one question repeatedly asked of the customer: “What is best for your family?”

## Making Gifts to Minors

### *Is There a Simple, Practical Way?*

A MINOR—that is, a person under 21—may legally own property. That is settled. But the law for his protection provides that a minor, after he becomes 21, can disaffirm any contract he may have made while legally an “infant.” (There are statutory deviations in certain states, but such is the general rule.) So, when it comes to the management or sale of property that has been given to a minor, a multitude of problems can arise.

Thus, father has given to son (old enough to fight in Korea, perhaps; to work for wages and to pay income taxes; to marry and set up a home) a certificate representing 100 shares of stock. The son can own this stock; it can be registered in his name on the books of the company. But if the son should sell this stock, before he becomes of age, the broker who makes the sale does so at his peril, for the son can make him undo the transaction (whatever the cost to the broker) when the son reaches 21; and the transfer agent of the company may be in peril also for the same reason.

The problem becomes acute when a parent or grandparent wishes to make cumulative gifts to very young children of amounts not exceeding the \$3,000 annual gift tax exclusion. The motive is ethical and legally valid: to build up an educational fund for the children—capital whereby they may start in business—the wherewithal eventually for a home—or simply to build up estates for the children while at the same time reducing the taxable estate of the donor. There may be notable income tax advantages also. The idea seems altogether simple and beautiful when conceived; but, as com-

plications develop, doubts arise whether the project is worth all the apparent trouble.

The prospective donor is told first of the legal disabilities that protect minors by making it virtually impossible for them to do anything with property of substantial value given to them. But a *trustee* (it is explained) may be the recipient of gifts for the benefit of a minor and the trustee can be a legally qualified person or corporation with powers of management as broad as the creator of the trust wants to write in the trust instrument. But then the donor—just as he begins to pick up hope—must be told that a welter of confusing decisions in the Federal courts renders it impossible to say with any certainty at this time whether any specific form of trust for a minor will qualify for the \$3,000 annual exclusion—this because “future interests” do not qualify for the exclusion and various aspects of “future interests” have been read into infants’ trusts.

There is one traditional way, of course, to provide management for the property of minors and that is legal guardianship. The court will appoint a “guardian of the property” of an infant upon application in due form; and the prevailing opinion is that, if property is given outright—not in trust—to an infant, leaving administration of the donated property to the machinery of guardianship, no question of “future interest” will arise. (Yet there is learned opinion to the contrary.)

The upshot of it all is simply this: That if a pattern of giving to minors is contemplated, the annual exclusion might just as well be forgotten; indeed, insofar as concerns gifts to infants, con-

sidering the truly vast volume of litigation that has developed about it in the past 10 years, the annual exclusion might well be characterized as the gnat that swallowed the camel. The "lifetime exemption" of \$30,000 still is available, whether the gift be "future" or not; and gift tax rates are relatively low in the beginning-stages of giving. After that decision has been made—that is, to go ahead, letting the exclusions fall where they may—there is still another to make: Shall the gift be in trust or shall the guardianship route be followed?

If the trust will be of substantial size and it is desired to obtain the classic advantages of trusteeship—investment flexibility and liberal discretionary powers to deal with unexpected situations—then the trust unquestionably is the better device. But candor requires this concession: That if static

administration of the donated property is contemplated, or its value is not great, or the infant is nearing maturity, then an outright gift well may be the more desirable course. (Particularly if the subject matter of the gift should be U. S. Savings Bonds, for under existing regulations, the Treasury will make payment directly to a minor "if he is of sufficient competency and understanding to sign his name . . . and to comprehend the nature of such act.") If a guardian later should have to be appointed to effect some transaction not contemplated when the gift was made, it should be no great tragedy. True, there are certain inconveniences, encumbrances, and costs to guardianship. But trusteeship has its price, also. What is required is a balancing of practicalities; the means should never outweigh the end.

## Tax Hint-of-the-Month

**W**HEN Congress invented the marital deduction in the Revenue Act of 1948, it granted to owners of substantial estates a tax-saving "tool" of great potency. In effect, said Congress, if you are a married man (or woman) you can remove half of your estate from the operation of the Federal estate tax on your death by disposing of it in such a way that it will be taxable on your wife's death—to the extent that she still has it. Not only will there be gained thereby a deferment of part of the tax on your death but the total of the two taxes will usually be less because the estate of each spouse will be entitled to a \$60,000 exemption and the tax on each estate will begin at lower rates, climbing gradually to higher.

The methods of disposal that accomplish this transferral of taxability from the estate of one spouse to another are generally well known by now. The simplest is to give to the wife outright, by will, no more than half of the husband's taxable estate, thus qualifying for the maximum marital deduction but adding no more than necessary to the wife's taxable estate in so doing. Another popular method is to provide in the will for a trust of the marital deduction share; the income of the trust must be paid to the wife and the principal of the trust must be made taxable in her estate by giving her the right to "appoint" how it shall be disposed of—a right that can be exercised either during her life or upon her death—one or the other, or both.

Where the trust form is used, the prevailing method is to give the wife a power of appointment exercisable by her will. It must be a "general" power of the broadest possible kind, so that she can give the property by her will to any person or corporation (such as a charity) or to her estate,

as such. If the power given her were less than this, it would be rated a "special" power that would not be taxable in her estate. Consequently the marital deduction would be denied.

Some men go the whole way, however; and, while they set up the trust as a convenient instrument for the management of the marital deduction share for the wife's benefit, they provide further that the wife can withdraw any of the principal she may want at any time, even to the whole of it. But others will balk at this, fearful that the wife may yield to the persuasion of self-seekers, promoters, or visionary do-gooders to her own detriment; or that she may marry some scamp who will extract her funds and vanish. And such things have happened.

To such as these a middle course may be suggested. The wife will be given the usual general power of appointment, exercisable by her will, and consequently not effective until her death. But during her lifetime she will be given a special or limited power to "appoint"—that is, direct—that

(CONTINUED ON PAGE 82)

THIS DEPARTMENT is addressed not only to bank personnel but to directors, and to the wives and families of both. Included in this section are short articles relating to estate planning and trust services, to economics and investments, and to taxes that affect the family.

It is hoped that these pages comprise a section of BANKING that you will want to take home for family reading.

# Isn't this the realistic way to finance new homes today?

**M**R. R. O. SMITHSON, JR. is a builder in Beverly, Massachusetts, who erects and sells houses by the score.

What he has to say about the *Packaged Mortgage* may give you some interesting viewpoints. Let him tell you about his experience. He says:

**"Our prospects are delighted not only to see the fine array of General Electric Appliances in our \$14,000 home, but to know that the monthly outlay for them is no more than that for a typical telephone bill.**

"You see, the cost of these G-E Appliances, if figured over a long-term mortgage, and the actual cost to the homeowner is less than \$5.00 a month, a sum he can easily afford!"

## **No short-term obligations**

The homeowner need not burden himself with short-term payments on kitchen appliances. He need not assume obligations that may interfere with his regular mortgage payments. He becomes a more satisfied and willing mortgagor.

The institution's interests are protected, too, because the house is truly up-to-date . . . one that the homeowner is proud to maintain.

## **Send for free data**

Wouldn't it be advantageous to your institution to offer the "Packaged Mortgage" Plan?

Why not send for free literature that explains to prospective home-buyers the convenience of this Plan, and other sensible methods of financing?

**WRITE TO:** Home Bureau, General Electric Company, Louisville 2, Kentucky.



**Dishwasher**



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**Refrigerator**



**Clothes Washer and Dryer**

**GENERAL**  **ELECTRIC**

(CONTINUED FROM PAGE 80)

principal shall be taken out of the trust and paid over to one or another of a specified class, such as the children born to the husband and wife and their descendants (or to the spouses of any of these, if desired) so that the funds will be somewhat surer to stay within the family group. Granted that a complaisant child could serve as channel for return of funds to the mother's hands, there would be in any event an intervening protection against pure folly. And the use of such a limited power of immediate disposal would make it possible for a mother during her widowhood to make tax-free gifts (within her exemption and exclusions) or taxable gifts at low rates to her children and grandchildren out of the marital-deduction half of her husband's estate, thereby reducing the taxes on her estate when she dies.

Such use of a limited lifetime power is beginning to appear in wills.

## Estate Planning

**YOU, YOUR HEIRS AND YOUR ESTATE.** By *George Byron Gordon*. Business Reports, Inc., New York. 104 pp. \$7.50.

**T**his "approach to estate planning" stresses the need for planning by persons of high earning power as well as those who have accumulated substantial property. It develops six basic principles, and guides the reader in finding answers to questions about the future use and disposition of his estate.

Mr. Gordon, who is director of advanced underwriting services for the Mutual Benefit Life Insurance Company, also discusses the barriers to planning in terms of people and their needs, dealing with the costs of transfer, estate and gift taxes, and the basic tax savings.

## Your Tax I. Q.

**H**ow well do you know your Federal income taxes? Try this three-minute quiz.\* It is based on material furnished by the American Institute of Accountants, the national professional society of certified public accountants. Answers are on page 106.

(1) Your son worked for you in the business last summer, and you paid him a total of \$591. He also won \$10 in an advertising slogan contest. You can—

- (a) Take a full \$600 dependency exemption for him.
  - (b) Take a half exemption.
  - (c) Take no exemption.
- (2) While on vacation with your wife last sum-

mer, you entertained several men you do business with. Is this—

- (a) Deductible as a business expense?
- (b) Not deductible, since you were vacationing?
- (c) Deductible only if you and your wife file a joint return?

(3) You made a nonbusiness loan of \$2,000 to a friend last March, and he promptly disappeared, leaving absolutely no trace. You can probably—

- (a) Deduct the full amount as a bad debt on your 1952 return.
- (b) Deduct only half of it.
- (c) Take no deduction at all.

(4) You earned more than \$3,600 in your business. The social security tax is—

- (a) Not levied on your own income.
- (b) \$81, paid with your income tax return.
- (c) \$54, paid to the Social Security Board.
- (d) \$54, paid with your income tax return.

(5) Which of the following contributions is not deductible?

- (a) Your local Community Chest.
- (b) The American Legion.
- (c) A political party.
- (d) The YMCA.

(6) You failed to take all your allowable deductions on your 1950 return. You can—

- (a) No longer file a claim for a refund.
- (b) File a refund claim as late as 1954.
- (c) Stop worrying, since you will get a refund automatically.

(7) Your wife works for you in your business. She—

- (a) Is required to pay social security.
- (b) Is not subject to social security.
- (c) Can choose whether she does or does not want social security coverage.

(8) In December, you spent \$1,000 for built-in bookshelves and wall-to-wall carpeting for your office, on which your lease has three years to run. You can—

- (a) Deduct the \$1,000 on your 1952 return.
- (b) Amortize the cost over the next three years.
- (c) Depreciate it over the life of the furnishings.

(9) There are a few leaks in the shingle roof of your office building, so you construct a new tile roof. Taxwise, the cost is—

- (a) Deductible as a repair.
- (b) Deductible in the current year as an improvement.
- (c) Depreciable—a portion deductible each year of its useful life.

(10) In determining your taxable income, which of the following taxes you pay is not allowed as a deduction?

- (a) Real estate tax.
- (b) State income tax.
- (c) State inheritance tax.
- (d) Motor vehicle license fee.

\* It takes 3 minutes if you're an expert, says the AIA.



# "Safe and Sound"

## ...your mortgage investment in a Gunnison Home

THERE is a steady supply of superior mortgage opportunities for you in the Gunnison Champion Home. Quality-built throughout, constructed with the precision-engineering methods for which Gunnison Homes are famous, this outstanding house will sell for as low as \$6500 without lot, depending on average area building costs. And the other Gunnison Homes—the Catalina, the Coronado, and the Talisman—offer comparable values to the home-buyer.

The Gunnison Dealer in your area is a reputable local businessman. When you deal through him you're sure of satisfied mortgagors... sure of sound practical investments for your mortgage money in the \$6500 to \$12,000 range.

THIS GUNNISON CHAMPION HOME meets America's need for a well-built small house at a budget price. Without lot, it sells for as low as \$6500.



### CHECK THESE FEATURES:

- Beautiful exteriors—well-planned interiors
- Fully insulated—efficient gas or oil heating
- Mahogany flush panel doors—Wood paneled interiors
- American kitchens—Permaglas water heater
- Four distinctive models—Seventy-six elevations
- Low-cost maintenance—high resale value
- Optional features at extra cost—Carrier Air Conditioning and Hotpoint Appliances

"Gunnison," "Champion," "Coronado,"  
"Catalina" and "Talisman"—  
trade-marks of Gunnison Homes, Inc.



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Manufactured by Gunnison Homes, Inc., New Albany, Indiana

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SUBSIDIARY OF UNITED STATES STEEL CORPORATION

# BANKING NEWS

## Proofs-in-Advance and Separate Unit Newspaper Ad Series Offered by A.B.A.

### New Direct Mail Folders Also by Adv. Department

The Proofs-in-Advance newspaper advertising service offered by the Advertising Department of the American Bankers Association was explained in a colorful folder recently sent to A.B.A. members. More than 88,000 of these ads are used by banks each year.

In a letter accompanying the folder, these points were emphasized:

For the bank that writes its own ads, it would be a help to receive more than a score of ads each month—over 260 a year—on banking and trust subjects.

These ads are written by men experienced in banking and trust work, as well as in the advertising field. Illustrations are by top flight artists . . . layout and typography are the best obtainable.

Where a bank employs its own advertising agency, the A.B.A. feels that it would be a help to the account executive to have the monthly proofs. "By this means," said the Association, "you supply technical banking phraseology and information reflecting trends based on A.B.A. surveys in the bank advertising field."

Six special newspaper ad series recently completed are available as separate package units. Five of the series have 12 mats each and the sixth, a teenage series, has three ads. The five 12-ad series emphasize:

(1) Bank auto loans, each employing the "true or false?" technique to make a point.

(2) Bank services that solve money problems, featuring the slogan "Another Bridge to Cross." Each ad is individually illustrated with a famous bridge some place around the world.

(3) General banking services—addressed to women.

(4) Savings banking. Slogan "Saving does it" introduces all ads, which are appropriately illustrated.

(5) Checking accounts. Each ad is illustrated with photograph of man or woman in various walks of life commenting on value of checking service.

Several new direct mail folders have also been released by the Advertising Department, as follows:

"Drive in to Convenient Banking"; "Have Utmost Protection of Your Funds" (checking service); "Too Late to Bank?" (bank by mail); "Neglect Costs Far More Than a Bank Loan"; and "Things to Know About Mortgages."



Mr. Saxon

## James J. Saxon, Former Treasury Department Aid, Joins A.B.A. Legal Staff

### Extensive Financial Experience at Home and Abroad

James J. Saxon, who joined the staff of the Washington office of the American Bankers Association on January 1 as assistant general counsel, comes to the A.B.A. from the United States Treasury Department, where he has served during the past 15 years in a number of capacities having to do with supervision, investments, money, and tax activities.

Mr. Saxon joined the Treasury in February 1937, as a securities statistician in the Office of the Comptroller of the Currency. He transferred to the Department of Foreign Funds Control in May 1940. He carried out a number of foreign assignments in various parts of the world including the post of Treasury Attache to the United States High Commissioner in the Philippine Islands during the early stages of the war. He also carried out assignments in Puerto Rico, North Africa, and several countries in Europe.

He also served in the Office of the General Counsel of the Treasury and as assistant to the Treasury Secretary.

Mr. Saxon was born in Toledo, Ohio, where he still maintains his legal residence. He is a graduate of St. John's College in Toledo and has done post-graduate work in economics and finance at Catholic University in Washington. He is a graduate of Georgetown University Law School there and is a member of the District of Columbia Bar.

He is married, has three children, and makes his home in Chevy Chase, Maryland.



Mr. Fichtel

## Rudolph Fichtel Joined Public Relations Council As Secretary on Jan. 15

### Came to A.B.A. from N. Y. Savings Banks Association

Rudolph R. Fichtel, formerly assistant secretary and director of public relations of the Savings Banks Association of the State of New York, joined the staff of the American Bankers Association on January 15 as secretary of the Public Relations Council, according to Merle E. Selecman, A.B.A. executive manager.

William R. Kuhns, editor of *BANKING*, is director of the Council.

Mr. Fichtel had been on the staff of the savings banks association since December 1945, first as editor of the *Savings Bank News*, weekly organ of the savings banks association. In 1948 he was made public relations director and assistant secretary.

Mr. Fichtel was graduated from the College of the City of New York in 1938. He holds a Master of Business Administration degree from the Graduate School of Business Administration, New York University; also holds the Standard Certificate of the American Institute of Banking, earned at New York Chapter in 1941. In addition, he is a graduate of the Financial Public Relations School, class of 1950, which the Financial Public Relations Association conducts at Northwestern University, Chicago. He is currently enrolled in the savings management course of The Graduate School of Banking conducted at Rutgers University by the A.B.A.

From May 1939 to May 1942 he was employed by the East River Savings Bank. The following three years he served with the Army.

# COUNTRY BANK WORKSHOP

AMERICAN BANKERS ASSOCIATION

TO: Executive Officers and Directors of Country Banks

FROM: W. Harold Brenton, President, American Bankers Association

SUBJECT: "COUNTRY BANK WORKSHOP"

You are invited to attend a "Country Bank Workshop" on Friday, March 20, 1953, at the Brown Hotel in Louisville, Kentucky. This conference will be just what the name implies. Management and operational problems of the smaller banks will be discussed, not only for the officers of these banks, but also to acquaint the directors with modern techniques for dealing with problems of current importance to country banks. Special emphasis will be placed on the duties and responsibilities of the country bank director.

Nationally prominent speakers, especially qualified in the field of country banking, will take part in this program. One of the highlights of the program will be a panel discussion on the subject of "Safeguarding the Bank's Assets," which will deal with ways and means for preventing and discovering defalcations in smaller banks. The panel will be composed of representatives of state and national supervisory agencies.

This one day meeting is scheduled to begin at 9:15 A. M. and end at 4:45 P. M. To save time, register in advance. Fill in the form on page 93. Your complete registration material will be awaiting you at the A.B.A. advance registration desk in the Brown Hotel. Hotel reservations must be made directly with the hotels.

I believe the program will provide every country banker with information which will prove useful in managing his bank and will also give the directors a better understanding of banking matters which should be of vital concern to them. I sincerely hope we may welcome you and your directors at this meeting.

## Dr. Murray G. Lee Joins Research, Monetary Staff of American Bankers Ass'n

### Has Broad Economics and Professorial Background

Dr. Murray G. Lee, formerly assistant chief regional economist of the Office of Price Stabilization, has joined the staff of the American Bankers Association. He will work with the Director of Research and with the Department of Monetary Policy. Before coming to the A.B.A., Dr. Lee was assigned to Region II of the Stabilization Office, composed of New York and New Jersey.

He was graduated from New York University with a B.A. degree in 1934 and subsequently has received the LL.B., J.S.D., M.A., and Ph.D. degrees from that University.

Before his tenure with the Office of Price Stabilization, Dr. Lee was associate professor of economics at New York University and also taught economics in the Graduate School of Fordham University. From 1939-41, he was assistant professor of law at New York Law School and from 1934 to 1939, he practiced law in New York City. His banking background includes instructing in economics at Passaic (N. J.) Chapter of the American Institute of Banking.

He has given courses in money and banking, business cycles, and statistics on the graduate and undergraduate level.

During World War II, Dr. Lee served as a lieutenant in the United States Naval Reserve and from 1943 to 1946 was attached to the Navy Bureau of Aeronautics, Washington, D. C. Prior to his Naval duty, he was an economist in the Office of Price Administration in Washington.



Dr. Lee

### Spring Meeting

The regular Spring Meeting of the Executive Council of the American Bankers Association will be held at The Greenbrier in White Sulphur Springs, West Virginia, on April 19-21, 1953, according to Merle E. Selecman, A.B.A. executive manager.

The Council is the governing body of the A.B.A. and meets twice each year, spring and fall.

Transportation and hotel reservation data were mailed to the A.B.A.'s official family late last month.

### G.S.B. Reunion March 13

The 16th annual alumni reunion of The Graduate School of Banking will be held on Friday, March 13, at the Columbia University Club, New York City. The event is sponsored by the New York Metropolitan Group, G.S.B. Guest speaker is Edward Streeter, vice-president, The Bank of New York.

### GEORGIA ENDORSES DRAWDY

The executive council of the Georgia Bankers Association, meeting in Atlanta, gave "enthusiastic and wholehearted" endorsement to the candidacy of Sherman Drawdy, president, Georgia Railroad Bank & Trust Company, Augusta, for election to the position of treasurer of the American Bankers Association at the A.B.A.'s 79th Annual Convention in Washington, D. C., next fall.

Haynes McFadden, GBA secretary, reported that Mr. Drawdy is the only announced candidate for this high honor in the American Bankers Association, since George R. Boyles, president, Merchants National Bank in Chicago, had withdrawn in Mr. Drawdy's favor.

Mr. Drawdy has enjoyed every honor in the gift of his fellow bankers in Georgia up to and including the presidency of the Georgia Bankers Association. He has served the American Bankers Association as State Defense Bond chairman, as state vice-president, as regional vice-president, and as a member of the Federal Legislative Council, Executive Committee of the State Bank Division, Executive Council, and of Commerce and Marine Commission.

Mr. Drawdy is credited with placing Georgia and neighboring southern states in the 100 percent column of American Bankers Association membership as a member of the Organization Committee.

## 90 Percent of All Checks Now Carry Routing Symbol, Latest Survey Discloses

### 10-million Checks Examined in Study By Reserve Banks

Nine out of ten checks handled through the Federal Reserve Banks now carry the check routing symbol in the approved location, Valentine Willis, chairman, Subcommittee on Collections, Federal Reserve System, has reported.

Examination of almost 10-million checks indicated a gain of two percentage points since the previous survey last June to a new record high of 90 percent. "Banks can handle the tremendous volume of checks in our economy as speedily and as efficiently as they do only because so many checks carry the routing symbol," Mr. Willis said, adding that the steady progress made since the American Bankers Association and the Federal Reserve System sponsored use of the symbol in 1945 showed clear recognition by business and banking of its value.

The latest survey showed gains being made in all 12 Federal Reserve Districts, with the Chicago, Minneapolis, and San Francisco districts registering the greatest improvement. The New York District continues to report the highest proportion of symbol use, 96 percent. For the first time, more than half the states were at 90 percent or better; in June, only 18 states attained this level. Delaware and New York lead with 96 percent.

### Membership, Enrolment Are High at Institute Midyear

The membership of the American Institute of Banking on January 1, 1953 was 94,626, which was 5 percent higher than the previous all-time midyear high reached on January 1, 1950, reports National Secretary Robert E. Rutherford. The previous record midyear high was 89,898 members.

Class enrolments on January 1 were 36,174, which, Secretary Rutherford said, represents a 10.5 percent increase over midyear 1952, when the enrolments were 32,609.

Mr. Rutherford estimates that if the member gain between January 1 and August 31 continues at a rate at least comparable with 1952, which was normal, the Institute will end this school year with a membership slightly over 100,000.

The Institute has 259 chapters and 120 study groups throughout the nation and 1,491 students enrolled in correspondent courses. Minnesota leads in the number of study groups, with a total of 31.

By availing themselves of the opportunities afforded to continue their banking education while working on the job, bank employees are constantly preparing themselves for advancement in their chosen profession.



# PROCEEDINGS—

## 5th National Credit Conference

A COMPLETE printed record of the proceedings of the A.B.A. 5th National Credit Conference held in Chicago on January 26, 27, and 28, will soon be available. These proceedings are a valuable source of information from which you will obtain a broad outlook on many phases of credit. Authoritative speakers made important suggestions regarding credit policies for the months that lie ahead.

THE subjects discussed included Basic Economic Changes in Our Economy; Commercial Lending in the South; Credit Is Credit; Washington Bank Trends; The Responsibilities of the Bank Lender Today; Building a Profitable Selling Organization; Current Mortgage Problems; Lending to Finance Companies; Dynamic Equilibrium; The Outlook of the Credit Executive; Agriculture in 1953; Yesterday, Today, and Tomorrow; Economic Picture for 1953; and Our 1953 Goals.

AMONG those who contributed to the discussions at the Conference and whose remarks are included in the proceedings are the following: W. HAROLD BRENTON, President of the A.B.A.; R. E. WOOD, Chairman of the Board of Sears, Roebuck and Company; WALLACE M. DAVIS, President, The Hibernia National Bank of New Orleans; JOHN J. ROWE, President, The Fifth Third Union Trust Company of Cincinnati; U. V. WILCOX, Washington Correspondent, *American Banker*; E. LAWRENCE WORSTALL, President, Robert Morris Associates; WILLIAM T. TAYLOR, Vice-president, Bankers Trust Company of New York; WILLIAM A. BLEES, Vice-president, Crosley Division—AVCO Manufacturing Company; JOSEPH R. JONES, Vice-president, Security-First National Bank of Los Angeles; Honorable W. WALTER WILLIAMS, Under Secretary of Commerce; VINCENT YAGER, Vice-president, Harris Trust and Savings Bank of Chicago; ROY A. FOULKE, Vice-president, Dun & Bradstreet, Inc.; C. B. SHUMAN, President, Illinois Agricultural Association; ORVAL W. ADAMS, Executive Vice-president, First National Bank of Salt Lake City; and DR. PAUL W. MCCracken, Professor of Business Conditions, University of Michigan.

You may receive a copy of these proceedings by filling in the order form below and returning it to the A.B.A. office in New York. We suggest that you do this without delay.

Credit Policy Commission  
American Bankers Association  
12 East 36th Street  
New York 16, N. Y.

Date .....

Please send me ..... copies of the PROCEEDINGS OF THE A.B.A. 5th NATIONAL CREDIT CONFERENCE held in Chicago, Illinois, January 26, 27, 28, 1953, at \$2.50 per copy.

Name ..... Title .....

Bank .....

City ..... State .....

# News on Savings Banking

Items and Comment from Our Savings and Mortgage Division and Other Sources

## A.B.A. Protests Savings and Loan Move to Create Branch Across State Line

### Application Contrary to Stated Policy, Congressional Intent

The American Bankers Association has filed a vigorous protest against the application of the Columbia Federal Savings and Loan Association of Washington, D. C., to open a branch office across the state line in Arlington County, Virginia. The protest was made in a statement filed with the Federal Home Loan Bank Board.

"The policy of the Home Loan Bank Board with respect to the establishment of branches across state lines was made a matter of public record as recently as February 27, 1952," the A.B.A. statement says. "Chairman Divers, testifying at hearings held on that date before the Subcommittee on Securities, Insurance, and Banking of the Senate Committee on Banking and Currency on S. 2517 and S. 2564 stated as follows: 'I would say that it is our policy now not to charter any branches across state lines.'

"Surely the announcement of this policy was not made as a matter of mere expediency, subject to change whenever a new application is presented by an association for permission to establish a branch in another state," the A.B.A. adds. "It is hard to believe that the Board, after only a short 10-month period since Chairman Divers made his statement, would change its policy and authorize such a branch to be established.

"The denial of the application of the Columbia Federal Savings and Loan Association would be consistent with sound public policy," the A.B.A. continued. "The establishment of this branch would constitute an infringement of the basic principle of states' rights. The American Bankers Association has long been on record for the preservation of state autonomy in this field and in opposition to branch banking across state lines. . . .

"These same considerations of public policy prompted Congress to deny to national banking associations the privilege of establishing branches across state lines. It is inconceivable that Congress would have disregarded these considerations in enacting the Home Owners' Loan Act of 1933. It must be presumed that Congress intended that the Home Loan Bank Board, as the agency to which it had delegated powers over Federal savings and loan associa-

## Deposits in Both Savings and Commercial Banks Hit Near Record High in 1952

### Savings Growth in 10-Year Period Amounts to 158.7%

The year 1952 was outstanding in the growth of savings deposits. In volume it was exceeded only by the year 1945, which was the peak year of defense production in World War II, and a period when scarcity of goods to buy encouraged a rapid accumulation of savings.

Savings deposits in commercial banks increased 8.4 percent in 1952, to an all-time high of approximately \$41-billion, and mutual savings banks increased 7.7 percent to about \$22.5-billion, also a new high.

The largest gain in the popular media for savings for the year was made by "mutual funds" which have rapidly been attracting savings for investment. These types of investment companies increased 25.8 percent, from \$3.1-million on December 31, 1951, to approximately \$3.9-billion on December 31, 1952. The second largest savings growth was recorded by savings and loan associations, with an increase from \$16-billion to approximately \$19.1-billion, or 18.8 percent. Savings as reflected by policyholders' equities in life insurance policies increased about \$4.9-billion to \$62-billion, or 8.6 percent.

The growth in savings during the past 10-year period in banks and other primary sources transcends in importance the growth of all previous years in American history, amounting to 158.7 percent as follows:

	Dec. 31, 1952 (billions)	Dec. 31, 1942 (billions)
Commercial banks	\$41.0	\$16.4
Mutuals	22.5	10.7
Savings and loans	19.1	4.9
Life insurance cos.	62.0	30.8
U. S. Savings Bonds*	57.9	15.0
Postal savings	2.5	1.4
Total	\$205.0	\$79.2

\* Series E and H savings bonds represent \$35.6-billion.

tions, should be governed by the same policy considerations and would deny permission to any such association to establish a branch across state lines.

"The application of the Columbia Federal Savings and Loan Association should be denied as being contrary to the stated policy of the Board and to the policy and intent of Congress."

## Treasury Reports Bond Sale Improvement; Bank Wins Bond Sales Friends

### Bond Sales Promotion to Modest Buyers Is Sound

The U. S. Treasury reports that Series E Savings Bond redemptions in 1952 continued to exceed sales by about \$750,000,000 despite improved public response resulting from better terms offered on U. S. Savings Bonds in May. However, there was improvement over 1951 in total sales of all types of Savings Bonds.

Speaking on bank promotion of Savings Bond sales before a Federal Reserve Bank assembly in Minneapolis, Charles E. Watts, president, Commercial State Bank of Pocahontas, Iowa, stated, in part:

"Instead of thinking of Savings Bonds as a competitor for savings, we have found that selling and recommending them has made many new friends for

(CONTINUED ON PAGE 90)

## School Savings Committee To Consider Larger Service

The School Savings Committee of the Savings and Mortgage Division of the American Bankers Association will meet on March 2, during the annual Savings and Mortgage Conference and before the National School Savings Forum, to consider methods of extending and promoting school savings banking programs, according to Chairman Mercer C. Macpherson.

At this meeting discussions will be focused on these Committee aims:

(1) Establishment of school savings in each of the 48 states.

(2) Preparation of a procedure manual which can be used by banks to organize a school savings department. The manual would include a brief step-by-step breakdown of the internal and external functions.

(3) Creation of a speakers' pool from the Committee membership to meet requests for speakers at state banker group meetings.

(4) Revision of *School Savings Banking*—an all-inclusive source book of school savings material.

In addition, the Committee will consider various school savings promotion ideas for possible development.

Mr. Macpherson is vice-president of The Montclair (New Jersey) Savings Bank.



## Bond Sales Up; Win Friends

(CONTINUED FROM PAGE 88)

us and has materially helped our business.

"Selling Savings Bonds brings many new people into our bank who are prospective customers. They get acquainted with our officers and employees and they get used to coming through our front door. . . . When they decide to open an account, it is the most natural thing in the world for them to open it with us. Like most banks, we spend a good deal of money all on various kinds of publicity and a large percentage of the copy just invites folks to come into the bank. Promoting the sale of savings bonds does a very effective job for us in bringing these people into the bank and they are folks we want to reach, for they do have money to save.

"... Recently we made a survey of our bank deposits and we were amazed to discover that about 15 percent of the depositors owned some 65 percent of all of the deposits. The banker's recommendation that customers of small means buy Savings Bonds is absolutely sound and can be made without hesitation. Treasury figures show that Savings Bond buyers do hold their bonds, as 39.32 percent of the bonds bought in 1941 are still outstanding."

## Arrangements Committee for Western Savings Meeting in Los Angeles, Feb. 9-10

### Conference Program Announced in January BANKING

The program for the Western Savings and Mortgage Conference to be held at the Hotel Statler in Los Angeles on February 9-10 may be found in January BANKING, starting on page 93. This Conference is sponsored by the Savings and Mortgage Division of the American Bankers Association, of which Wendell T. Burns, senior vice-president, Northwestern National Bank of Minneapolis, is president.

Members of the committee in charge of plans for the Conference include:

*From Los Angeles:* Joseph R. Jones, vice-president, Security-First National Bank of Los Angeles, general chairman; S. W. Bugbee, vice-president, Citizens National Trust & Savings Bank of Los Angeles, registrar; F. H. Champlin, assistant vice-president, Bank of America, N.T. & S.A.; H. J. Mendon, vice-president, California Bank; W. M. Scott, assistant vice-president, The Farmers and Merchants National Bank of Los

Angeles; and Warren P. Tenney, assistant vice-president, Union Bank & Trust Company of Los Angeles.

*From San Francisco:* William A. Marcus, senior vice-president, American Trust Company; Linden L. D. Stark, vice-president, The Anglo California National Bank of San Francisco; R. F. Moretti, vice-president, Bank of America, N.T. & S.A.; and Hart H. Tantau, vice-president, Crocker First National Bank.

*From other California cities:* R. S. Beasley, president, Beverly Hills National Bank & Trust Company; G. A. Walker, president, Farmers and Merchants Bank of Long Beach; Elden Smith, president, Citizens National Trust & Savings Bank, Riverside; D. N. Millan, vice-president, San Diego Trust & Savings Bank; G. R. Ginn, cashier, County National Bank and Trust Co., Santa Barbara; and H. H. Harper, assistant vice-president, Stockton Savings and Loan Bank.

*From other sections of the Conference territory:* J. L. Driscoll, president, First Security Bank of Idaho, N.A., Boise; A. M. McDonald, assistant vice-president, Walker Bank & Trust Company, Salt Lake City; and Stuart C. Frazier, executive vice-president, Washington Mutual Savings Bank, Seattle, Washington.

# News for Mortgage Credit Men

Items and Comment from Our Savings and Mortgage Division and Other Sources

## FHA Allows 1/2% Service Charge on Outstanding Small Mortgage Balances to Win Private Capital

Banks and other mortgage lenders, under a new amendment to the administrative rules governing Title I of Section 8 of the National Housing Act, are given permission by the Federal Housing Administration to collect a service charge of one-half of 1 percent on outstanding balances due on small mortgages. This concession was made to make adequate amounts of private capital available for good housing for low- and moderate-income families.

The FHA announcement issued on January 5 reads in part:

"(8)(a) The mortgage may require the mortgagor to pay to the mortgagee an annual service charge at such rate as may be agreed upon between the mortgagee and the mortgagor, but in no case shall such service charge exceed one-half of 1 per centum per annum. Any such service charge shall be payable in monthly instalments on the principal then outstanding.

"(b) All monthly payments to be made by the mortgagor to the mortga-

gee, as hereinabove provided, in subsections 4 to 8 inclusive, shall be added together and the aggregate amount thereof shall be paid by mortgagor, for each month in a single payment. . . .

"Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the mortgagor prior to, or on, the due date of the next such payment, constitute an event of default under the mortgage."

The FHA suggests the insertion of a paragraph in the mortgage form, following the paragraph which obligates the mortgagor to pay monthly accruals for taxes, etc., worded as follows:

"A sum equal to 1/12 of one-half of 1 per centum of the amount of the principal then remaining unpaid under said note as a service charge, to cover the expense of handling the monthly payments on account of taxes, assessments, and fire and other hazard insurance as provided for herein, and the other servicing costs in connection with this mortgage and the note secured thereby."

## Bankers Urged to Seek Good Industrial Financing

Mortgage bankers were told recently that they have largely overlooked the field of industrial financing and that they should turn their attention to it in the future when residential financing is bound to be less than it has been during the heavy building activity of recent years. Addressing the mortgage clinic of the Mortgage Bankers Association of America, Robert H. Pease, president, Detroit Mortgage and Realty Company, said there is a large and promising field here, not only through the medium of the mortgage but also through notes, debentures, and purchase-lease transactions.

Life insurance companies, banks, pension funds, and other financial institutions are eagerly seeking this type of investment, he said. The field isn't highly competitive, the larger size of the loans makes mortgage servicing simpler than it is in the residential mortgage field and credit is much easier to establish.

At the present time, he said, the interest rate for industrial loans runs from 5 to 5 1/2 percent.



## HOUSING FACT BOOKS

A comprehensive analysis of the methods by which prefabricated houses are sold is included in *Practices and Precepts of Marketing Prefabricated Houses*, prepared by Cornell University and recently published by the Housing and Home Finance Agency.

The study is divided into two parts: one on existing marketing practices, and the other on marketing prefabricated houses.

\* \* \*

*Housing Research* issue No. 4, also published by the Housing and Home Finance Agency, contains seven articles of interest to the housing industry, as follows: "Why People Buy the Houses They Do"; "National and Local Mortgage Market Structures"; "Durability of Moisture-Resistant Membrane Materials in Contact With the Ground"; "Regional Design Characteristics of New Houses"; "Application of Large Modules to Industrialized Housing"; "Food Waste Disposal Units"; and "A Practical Money and Materials Saver for the House Builder."

Both publications may be obtained from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. The former is 35 cents a copy and the latter 30 cents.

## Lenders Held \$66-billion In Mortgages at Year-end

The growth in mortgage debt has kept pace with the continuous expansion of home building. At the end of 1951 the total of home mortgage loans outstanding amounted to \$54-billion, and indications are that they will show more than \$60-billion when final reports are in for 1952.

Conventional mortgage loans, without Federal insurance or guarantee, continue to be made in the greatest volume. They exceed the amount of FHA and VA loans made by approximately three to one.

The following are the estimated amounts of all mortgage holdings (residential and commercial properties) held by the leading types of lenders at December 31, 1952:

	All Mortgage Loans (billions)	% Incr. in 1952
Commercial Banks	\$15.7	6.8
Mutual Savings Banks	11.2	15.5
Savings and Loan Associations	18.5	17.9
Life Insurance Companies	21.2	9.8
	<u>\$66.6</u>	

*Facts about the A.B.A.'s annual Savings and Mortgage Conference at Hotel Statler in New York on March 3-4 may be found on page 39 of this issue.*

## HOUSING HEADACHES

Some headaches in the housing field that confront the Eisenhower Administration:

Continuation of the Truman Administration's controversial public housing program, known as the "Government's subsidized housing plan for low income families."

What to do about FNMA (Federal National Mortgage Administration). There is strong opposition in Congress to continued support of the secondary mortgage market under present conditions. More than \$2-billion of the taxpayers' money has been invested by this agency in large measure to maintain the 4 percent rate on veterans loans.

The fate of the Truman Administration's proposal for subsidized cooperative housing legislation.

\* \* \*

## NEW CONSTRUCTION

New housing starts for the year 1952 were the second largest in history, exceeding 1,200,000. This record compares with 1,091,300 starts in 1951 and 1,396,000 for the peak year of 1950. This was the fourth successive year that new housing starts exceeded 1,000,000.

# News for Instalment Credit Men

Items and Comment from Our Savings and Mortgage Division and Other Sources

## A.B.A. Instalment Credit Commission's Advisory Board to Hold Organization Meeting in Chicago in March

The Advisory Board to the A.B.A. Instalment Credit Commission will hold its organization meeting on March 20-21 at the LaSalle Hotel in Chicago prior to the opening of the Commission's annual Instalment Credit Conference.

This organization meeting is the important first step in the expanded program of activities of the Commission. The meeting will be confined to preparation of policies and determination of the scope of operations and activities in which the Board will engage.

A complete roster of the members of the Board appeared on Pages 94-95 of *BANKING* for December 1952.

The over-all purposes and objectives for which the group was appointed are:

(1) To promote a broad educational program in the interest of banks now

operating in this area of the lending business.

(2) To establish an effective means of communication between the A.B.A. Instalment Credit Commission and the state bankers associations.

(3) To furnish the public with factual information as to the commercial banks' activities in this field, together with an interpretation of the social and economic significance of this type of lending in our economy.

(4) To promote a better understanding between banking and industry, in particular, manufacturers of durables.

(5) To provide a liaison between the Commission and the national and state examining authorities in an endeavor to accomplish a better understanding of this banking function and how to appraise it in making the regular examinations.

## Instalment Credit Meeting May Attract 1,200 Bankers

This year's A.B.A. National Instalment Credit Conference (see announcement on page 93) is expected to attract about 1,200 bankers from every section of the country, according to Paul M. Welch, chairman of the Commission and vice-president of The Citizens and Southern National Bank, Atlanta, Georgia.

"These men," said Mr. Welch, "are all specialists in instalment lending and their banks represent more than 90 percent of the total outstanding for this type of credit in banks. Each year we have representative industrialists talk to us on various phases of the consumer durable goods market to tell us what their prospects are; how banks are handling instalment paper for their distributors; and other points they consider in the relationship among manufacturers, distributors, and banks."

This meeting attracts bankers really active in instalment lending.

## Additional Safety Features In New Westinghouse Plan

The Westinghouse Electric Corporation has announced its "New Westinghouse Equity Plan" which is designed to make it even more attractive to the banks. Some 3,000 banks are now participating in dealers' inventory financing under the earlier plan.

Under the new plan, Westinghouse explains, "The lender need not be concerned either with the expense or detail of physical damage loss on inventory merchandise financed. The lender's interest is now fully protected. . . . Likewise, the lender need have no concern over loss through the resale of floor plan repossessions. All such repossessed merchandise will be repurchased for the balance owed plus expenses. . . ."

"Also, 90 percent of a lender's net loss is now covered should such loss result from dealer conversion, misappropriation, or theft of inventory being financed. . . ."

Banks already participating in the Westinghouse Equity Plan will have received direct from the company the new inventory financing agreement by the time this reaches print. Others can get full information by writing to Mr.

## Roger Steffan, a Pioneer Instalment Credit Banker, Retires as of January 31; To Join White House Staff

Roger Steffan, a pioneer in the field of instalment credit financing by banks, retires as of January 31, 1953, as vice-president of National City Bank of New York to join the White House staff of President Eisenhower (see *Heard Along Main Street*).

His primary activity has been directing his bank's personal credit department, which he founded on May 4, 1928. J. Andrew Painter, vice-president, who has been associated with Mr. Steffan for nearly 25 years, has been designated as new head of the department.

In 1934, Mr. Steffan was asked by the Federal Housing Administrator to become Director of Modernization Credit, in which capacity he helped to develop the FHA Title I plan for property improvement. He later toured the country to popularize the plan.

At the 1952 National Instalment Credit Conference of the American Bankers Association, Mr. Steffan was

presented with a testimonial "in recognition of his pioneering in this field of finance." The testimonial also stated that banks "by providing consumer credit service have become the economic ally of the common man."

In a previous citation by Phi Beta Kappa Associates, Mr. Steffan was referred to as the "father of consumer credit in commercial banking."

Mr. Steffan came to the National City Bank first as educational director. He had been on the editorial staffs of the *Cleveland Press*, the *Ohio State Journal*, and the *Cincinnati Post*. He was once editor and co-owner of a paper in Durham, North Carolina, and served on the staffs of the Associated Press and International News Service in Washington, D. C.

He has a ranch in Vista, California, which is one of the largest commercial producers of avocados and camellias in that area.

C. F. Gilbert, manager, Retail Finance Division, Westinghouse Electric Cor-

poration, P. O. Box 2278, Pittsburgh, 30, Pennsylvania.

# News for Trustmen

Items and Comment from Our Trust Division and Other Sources

## J. H. Weedon Contrasts Profit Sharing and Pension Funds Investment Procedure

### Small Pension Contributions Pose Investment Challenge

Speaking on "Investing the Money of Pension and Profit Sharing Trusts" at a pension seminar in New York City, John Hardy Weedon, vice-president of The First National Bank of Chicago, traced the history of pension plans from 1930 to the present. The forum was sponsored by Kennedy, Sinclair, Inc.

Prior to 1930, he said, the U. S. Treasury listed only 110 qualified pension plans; by 1939 the number had grown to 659; and recent figures indicate that there are now some 17,000 qualified plans, with contributions at an annual rate of \$2-billion.

"It can be gathered," said Mr. Weedon, "that pension fund monies either directly or indirectly are destined to exert an increasing influence upon the demand for both fixed-income and equity investments."

"In theory, at least," he asserted, "a trustee of a pension plan trust may



The A.B.A. Trust Division's Committee on Trust Education works with American Institute of Banking textbook technicians in drafting a complete revision of the Institute's *Trusts I* textbook. Clockwise around table: Bart A. Brown, vice-president, Citizens Fidelity Bank & Trust Co., Louisville; Frances Whyte, A.I.B. textbook editorial staff; George C. Barclay, vice-president, City Bank Farmers Trust Co., New York; Dr. Leroy Lewis, A.I.B.'s national educational director; Clarence D. Cowdery, vice-president, The Boatmen's National Bank, St. Louis, chairman; Marion Turner, assistant to educational director and textbook editor, A.I.B.; Charles E. Orcutt, assistant secretary, A.B.A. Trust Division; and James W. Allison, before retirement vice-president, Equitable Trust Co., Wilmington, now of Gordonsville, Va.

take it for granted that contributions based upon continuing and conservative actuarial computations will be made at regular intervals. Invasion of principal funds for the purpose of distribution is not a probability.

"On the other hand, contributions to profit sharing funds may be less regular and may vary considerably in amount from year to year. It is, therefore, more difficult for a profit sharing

(CONTINUED ON PAGE 94)

MAIL THIS FORM TO AMERICAN BANKERS ASSOCIATION

## Weedon on Pension Funds

(CONTINUED FROM PAGE 92)

fund to obtain average investment results over a period than is the case with a pension plan.

"The timing of purchases is, therefore, important, as is the maintenance of a more fluid investment policy than is necessary for pension plan trusts.

"A second basic difference between the two types of funds which may affect investment thinking is that the beneficiary of a pension plan trust looks only to the amount of pension benefits he expects to receive, not to the size or the composition of the fund that is expected to produce such benefits, while the participating employee of a profit sharing fund is not only aware of the exact amount of cash periodically credited for his benefit, but is also informed at least annually of his proportionate share of the entire fund so that *intermediate* investment results are of more than passing importance to him. . . .

"Profit sharing plans differ in that they are primarily incentive plans, and the very fact that the employee has two avenues of possible profit when the fund holds company stock is in itself a strong argument for the purchase of company stock. . . .

"Investment policies governing profit sharing trusts would be expected to vary considerably with the size of the company and the type of participant. . . .

"The purchase of common stocks with a sizable percentage of pension plan funds has become a widely accepted investment practice only within very recent years. . . . It was not until the 1940s that either trustees or donor-corporations, generally, began to think seriously of equities as a medium for pension funds, and the idea did not gain any wide favor until the very last part of the decade. Since 1949, however, there has been a very decided trend toward increasing equity investments; almost without exception, corporate management has become more stock-minded in the last few years, and more willing to have the funds assume the risks inherent in stock purchases in order to obtain both the increased income and also the protection afforded both income and principal against the effects of inflationary trends. . . .

"Many pension trusts are participating in private placements; conditional sales contracts on equipment; sale-and-lease-back agreements; mortgages on in-

Planning Pennsylvania Bankers Association trust division's 1952 conference. *Clockwise*, J. P. Nunnemaker, Bradford; R. L. Ellison, Williamsport; W. H. Fowler, Easton; M. E. Lambing, Pittsburgh; G. M. Fehr and E. A. Hill, Pittsburgh; R. U. Frey, Philadelphia; Chairman Wagner; M. F. Gestalter, Williamsport; H.

T. Bongart, Philadelphia; R. H. Starr, Sharon; H. E. Bright, Reading; J. C. Hoffer, Philipsburg; G. W. Hornsby, Philadelphia, and C. F. Borgel, York



## Corporate Philanthropy Service Profitable to Banks; Says Craig R. Smith, Authority in This Field

Corporate philanthropy is relatively new and banks that can offer counsel and service in this field *now* may hope to profit later when corporations get caught up in their philanthropic think-

ing, said Craig R. Smith, assistant vice-president of The Hanover Bank, New York, in a discussion of his bank's philanthropy services.

"The pressure on the corporation," he said, "from without is going to build up higher for more generous giving to philanthropy. . . . Here is where we in the trust business come in if we take a little pains to be well informed ourselves as to how we can help a corporation which is just getting into this contribution business.

"Companies which have studied this whole problem and worked out a policy of giving and developed a method of handling company contributions feel they have the situation in hand and can cope with it. Those which have not developed their policy and practice are those in trouble and badly in need of help.

### The Approach

"Some companies have approached the problem this way:

"First, they survey the whole field; find out answers to such questions as past history of company giving; what other companies in similar lines are doing; what charities are *musts*; what should be the total budget for philanthropy; and how it is arrived at.

"Second, based on the survey, they prepare a philanthropic program for approval by the board of directors and appoint a committee to carry it out. This contribution committee sets up a system of hearing and screening all appeals for funds, investigating their merits, and approving donations within the limits of the budget approved by the board.

"The third step for the committee is to draw up a statement of policy, a written document for circulation among all branches and departments of the company, setting forth the general policy of the company in philanthropic

(CONTINUED ON NEXT PAGE)

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(CONTINUED FROM COLUMN 3 OF PRECEDING PAGE)

giving and the method of operation. This makes for a uniform, consistent practice throughout the company and avoids the bad public relations that come of misunderstanding and mistakes. . . .

"There are several advantages to the corporate foundation method. For one, the company can make its contributions to the foundation at the end of the year and obtain the tax deduction, but the funds need not be distributed until much later, giving the trustees time to review the whole field and not requiring them to act in haste. The fund or foundation can accumulate funds within reason so that grants may be made in good years and bad. . . .

"If we didn't have private philanthropy in this country, the alternative might be state philanthropy, where you pay your taxes to the Government and the Government takes care of the [needy]. Philanthropy is one of the big points of difference between our western Christian civilization and communism. . . . We believe it is well worth promoting and encouraging and our people have gone into this specialized field in the belief that it offers an opportunity to show leadership in a cause vital to our country's welfare."

Details of the operation of The Hanover Bank's philanthropic service department are on page 96 of January BANKING.

## 380 Women Study Estate Planning at 2nd Forum

Invitations to the 1952 finance forum for women conducted by the National Bank of Commerce of Norfolk, Virginia, were restricted to nominees of the 12 leading women's organizations in Norfolk and those who attended the bank's 1951 forum. Attendance was 380.

In contrast to the first forum, which extended over a five-week period, the second was a one-day affair. It included discussions of "Investments Under Today's Conditions" and "Modern Lifetime Planning of a Modest Estate," a luncheon, and afternoon panel on "Estates, Wills, Trusts, and Taxes."

## CALENDAR

### American Bankers Association

Feb.	9-10	Western Regional Savings and Mortgage Conference, Statler Hotel, Los Angeles
Feb.	9-11	33rd Annual Midwinter Trust Conference, Waldorf-Astoria Hotel, New York City
Mar.	2	National School Savings Forum, Statler Hotel, New York City
Mar.	3-4	Annual Savings and Mortgage Conference, Statler Hotel, New York City
Mar.	5-6	Committee on Real Estate Mortgages Savings and Mortgage Division, Statler Hotel, New York City
Mar.	11-12	Agricultural Commission Annual Meeting, Houston
Mar.	18-19	Country Bank Operations Commission, Brown Hotel, Louisville, Ky.
Mar.	20	Country Bank Workshop, Louisville, Ky.
Mar.	23-25	National Instalment Credit Conference, LaSalle Hotel, Chicago
Apr.	19-21	Executive Council Spring Meeting, The Greenbrier, White Sulphur Springs, W. Va.
Sept.	20-23	79th Annual Convention, Washington, D. C.

### State Associations

Mar.	26-28	Florida, Hollywood Beach Hotel, Hollywood
Apr.	10-11	New Mexico, Hilton Hotel, Albuquerque
Apr.	12-14	Louisiana, Jung Hotel, New Orleans
Apr.	14-16	Georgia, General Oglethorpe, Savannah
Apr.	23-25	South Carolina, Ocean Forest Hotel, Myrtle Beach
Apr.	27-29	Mexico, Acapulco
Apr.	30-May 2	Alaska, Sitka Elks Club Building, Sitka
May	4-6	Colorado, Broadmoor Hotel, Colorado Springs
May	5-6	Tennessee, Hermitage Hotel, Nashville
May	6-8	New Jersey, Chalfonte-Haddon Hall, Atlantic City
May	7-8	Oklahoma, Mayo Hotel, Tulsa
May	11-12	Utah, Sun Valley, Idaho
May	11-13	Missouri, Muehlebach Hotel, Kansas City
May	12-14	Ohio, Netherland Plaza Hotel, Cincinnati
May	14	Delaware, Dupont Country Club, Wilmington
May	14	Rhode Island, Industrial Trust Company, Providence
May	14-16	Kansas, Wichita
May	15-16	North Dakota, Clarence Parker Hotel, Minot
May	18-19	California, del Coronado Hotel, Coronado
May	18-20	Mississippi, Buena Vista Hotel, Biloxi
May	21-22	Alabama, Battle House, Mobile

May	21-24	North Carolina, Carolina Hotel, Pinehurst
May	22-23	South Dakota, Marvin Hughitt Hotel, Huron
May	23-28	New York, Convention Cruise aboard the S. S. "Queen of Bermuda"
May	24-26	Texas, Rice Hotel, Houston
May	25-27	Pennsylvania, Chalfonte-Haddon Hall, Atlantic City
May	26-27	Arkansas, Arlington Hotel, Hot Springs
May	27-28	Indiana, French Lick Springs, French Lick
May 30-June 4		Maryland, Cruise aboard the S.S. "Queen of Bermuda"
June 2-4		Illinois, Jefferson Hotel, St. Louis
June 3-7		Dist. of Col. Claridge Hotel, Atlantic City
June 6		Connecticut, Griswold Hotel, Groton
June 7-9		Idaho, The Lodge, Sun Valley
June 11-13		Mass., New Ocean House, Swampscott
June 12-13		New Hampshire, Wentworth-by-the-Sea, Portsmouth
June 13-14		Wyoming, Connor Hotel, Laramie
June 14-16		Washington, Empress Hotel, Victoria, B. C.
June 15-17		Minnesota, Nicolett Hotel, Minneapolis
June 18-20		Montana, Canyon Hotel, Yellowstone National Park
June 18-20		Virginia, The Homestead, Hot Springs
June 19-20		Vermont, Equinox House, Manchester
June 21-23		Oregon, Eugene Hotel, Eugene
June 22-24		Wisconsin, Schroeder Hotel, Milwaukee
June 26-28		Maine, Poland Spring House, Poland Spring
June 26-27		Michigan, Pantland Hotel, Grand Rapids
June 26-27		West Virginia, Greenbrier Hotel, White Sulphur Springs
June 26-27		New Jersey Mutual Savings, The Monmouth Hotel, Spring Lake
Aug. 8		Nevada, Las Vegas
Aug. 30-Sept. 1		Maine Mutual Savings, Poland Spring House, Poland Spring
Sept. 10-12		Massachusetts Mutual Savings, Mt. Washington Hotel, Bretton Woods, N. H.
Oct. 14-15		Connecticut Mutual Savings, Mountain View House, Whitfield, N. H.
Oct. 17-23		New York Mutual Savings, Havana Cruise aboard Nieuw Amsterdam
Oct. 18-21		Iowa, Fort Des Moines Hotel, Des Moines
Nov. 10-11		Nebraska, Fontenelle Hotel, Omaha

### Other Organizations

Feb.	20	Annual Midwinter Conference, Robert Morris Associates, Palmer Houses, Chicago
Oct.	11-15	Financial Public Relations Association, Annual Convention, Sheraton-Cadillac Hotel, Detroit, Michigan

# Trust Profits

## ARE REFLECTED IN PROBATE RECORDS

YOU CAN TELL A LOT about the prospects of any bank's trust department merely by examining the probate records in the bank's trading area.

In those cities where banks and trust companies get a substantial portion of the available trust business, the trust departments are profitable. Unfortunately most trust departments get a very small percentage of the business that they could get—if they went after it intelligently and persistently.



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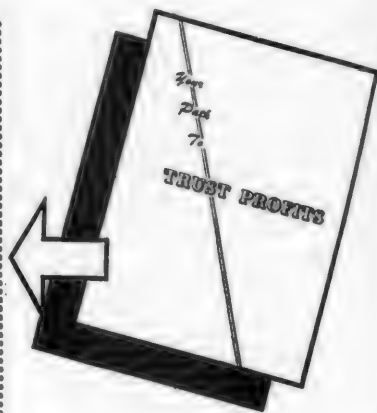
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BANK \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_

POSITION \_\_\_\_\_



# A Plan to Maintain Stability

**A** PLAN that would marshal all the techniques of finance in a concerted effort to maintain economic stability is proposed by the directors of the Federal Reserve Bank of Boston.

Prepared for New England members after months of study, the plan was offered as a means of staving off either inflation or depression by coordinating many actions and policies of the Treasury, the Federal Reserve, Government agencies and private business. It includes ideas contributed by several prominent business leaders and economists.

"In presenting the program," says a summary issued by the bank, "the directors emphasized it is not a cure-all for the nation's financial ailments. On the other hand, they stated that 'to make a program of economic stabilization effective requires concerted effort by practically everyone, including governmental agencies.' At least part of the recent inflation could have been prevented by more prompt and vigorous action, they said."

The program has been printed as a pamphlet entitled "A Report on Steps to Maintain Economic Stability," and is available on request to the Federal Reserve Bank of Boston.

The directors said they had been "guided first of all by the principle that we wish to preserve the maximum degree of freedom in the economy. We have therefore concentrated upon general measures which affect the whole economy . . . and by this test, we do not favor imposing direct controls, such as wage and price controls, except in war emergencies."

## Inflation

The report lists specific stabilizing steps which should be taken in periods of inflation or deflation.

"High on the list of anti-inflationary measures are the monetary and credit control policies of the

Federal Reserve System," says the announcement. "These consist of actions designed to constrict the supply of money available for lending by adopting a restrictive open market policy in the purchase of Government securities by the Federal Reserve, raising the rediscount rate for loans to member banks and increasing member bank reserves. The report warns that attempts to obtain agreements with other agencies of the Government on proposed Federal Reserve actions may delay and inhibit action, and it goes on to recommend that the Federal Reserve Board should be equipped to act independently in those matters which are under its control.

"Other means of controlling inflation by Federal Reserve authorities would be through the use of selective controls on consumer credit and stock market credit.

"The report states that Federal Reserve monetary and credit policies cannot be fully effective unless there is a coordinated effort by the Federal Government in the field of debt management, fiscal policy, and Government expenditures. During a period of inflation, says the report, Government expenditures should be reduced and tax revenues should be increased to produce a cash surplus in the budget. Government debt should be reduced, particularly in the forms held by the commercial banking system and the Federal Reserve open market account. One method of keeping the money supply down would be for the Treasury to offer intermediate and long-term issues at rates which are attractive to investors, thus obviating the necessity of Federal Reserve purchases on the open market to support issues with unattractive interest rates. In particular, the Treasury should offer savings bonds on such terms that the public will buy and hold increasing amounts.

"A further governmental step rec-

ommended to offset inflation is the adoption of a tax policy which would restrict demand without restricting production. This would increase excise taxes and remove buying power from the consumer goods markets without discouraging the expansion of productive capacity generally as do increased taxes on business or personal income. Other steps to be taken would include the shelving of Government expenditures which can be postponed, and increases in tax rates to support existing social security and unemployment compensation programs. A careful review should also be made of programs to support farm prices and of lending or guaranteeing loans by Federal agencies. Wage increases in an inflationary period should be geared to genuine improvements in output per man-hour. Business expenditures for research and development should be maintained at a high level. Savings should be encouraged by all possible methods, and imports should be especially stimulated."

## Deflation or Recession

In a period of deflation, continues the summary, the Federal Reserve would execute its monetary policies in reverse. The reserve requirements for member banks would be decreased in order to make money available for loans and investments. The discount rates would be reduced to make member bank borrowing easier.

The Federal Reserve System would make purchases on the open market in order to boost member bank reserves. Credit controls would be relaxed or eliminated. Banks would be encouraged to give consideration to loans which might be made under Section 13b of the Federal Reserve Act.

Members of the directors' committee are: Harvey P. Hood, president, H. P. Hood and Sons, Inc., Boston, chairman; Dr. Karl T. Compton, chairman of the Corporation, Massachusetts Institute of Technology; and Earle W. Stamm, president, The National Bank of Commerce of New London, New London, Connecticut. The committee was assisted by Dr. Alfred C. Neal and the bank's research department. The plan was announced by Harold D. Hodgkinson, chairman of the board of directors of the bank and general manager of Filene's department store, Boston.

# BANK LAW NEWS

## Conditional Sales Contracts—Trusts—Usury

### TRUST BENEFICIARY

**Trust Officer Cannot Be Beneficiary, Directly or Indirectly, of Trust Administered by His Employer.**

THE United States District Court for the Northern District of West

Virginia has thwarted a trust officer's ingenious device for acquiring a legacy from the settlor of a trust which he had administered as agent of a trust company.

The officer had procured the exe-

cution of an agreement by the settlor, amending the agreement setting up the existing trust which he was administering and providing in part: that "I hereby declare that I have during my lifetime incurred certain obligations in a very confidential manner which will require the expenditure of cash in order to pay and discharge said obligations"; that two named beneficiaries might furnish the trustee bank with a letter of direction setting forth their "recommendation of payment" of such confidential obligations; and that this letter of direction would be sufficient authority for the corporate trustee to pay them.

It so happened that the letter of direction, when produced, designated the trust officer as the person to whom the "confidential obligations" be paid. The trustee refused to pay and the officer thereupon sought a declaratory judgment construing the provisions of, and determining the rights and liabilities of, the parties to the amended trust agreement. He got it.

The court not only held the amended agreement invalid "because of uncertainty as to beneficiary and amount," but stated that it would not in any event authorize payment to the trust officer and thus require the trust company "to violate its duties as trustee and act contrary to its own valid and proper rules and regulations."

Said the court: "It is a fundamental principle of the law of trusts, binding upon all fiduciaries and their agents and employees, that a trustee will not be permitted to traffic in trust property in his own interest or to the benefit of himself or his spouse or other relative. Any transaction involving trust property for the personal benefit of the trustee, or his relatives, is illegal. Nothing in the law is better settled than

(CONTINUED ON PAGE 100)

### Uniform Trust Receipts Act

THE Uniform Trust Receipts Act, one of the American Bankers Association's 34 recommended "better banking statutes," provides a security device whereby a borrower, with the lender's consent, may retain possession of goods securing a loan, for the purpose of selling them to the public.

In the absence of statutory provision for the issuance of valid trust receipts as security for loans, the field in which trust receipts can be used is very limited. Where the Uniform Trust Receipts Act is in force, a lender may obtain a security

interest, good as against other creditors, and, if provided for in the trust receipt, the borrower may retain possession of the goods for sale or other specified use.

As of December 31, 1952, the act was in force in 30 states, Alaska and Hawaii. It had not been enacted in *Arkansas, Colorado, Georgia, Iowa, Kansas, Kentucky, Louisiana, Maine, Missouri, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Texas, Vermont, West Virginia, Wisconsin*, nor the *District of Columbia*.



Shaded states have enacted the Uniform Trust Receipts Act



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## Bank Law News

(CONTINUED FROM PAGE 98)

that a trustee can not be allowed to advantage himself in dealings with the trust estate.

"This principle of law was recognized and followed by the trust company. Its own rules and regulations prohibited any of its agents or employees from taking any advantage from trust property, or from being a beneficiary of a trust estate. The plaintiff . . . was informed of these rules and regulations . . . and

was told that he could not be named beneficiary of a trust being administered by the trust company. It is apparent . . . that the plaintiff attempted to do indirectly what he could not do directly.

" . . . If the management of trust estates is to continue as a reputable business, the utmost good faith must be exacted of those who act as fiduciaries. No trustee dare place himself in a position where he has interests adverse to those of the trust estate or its beneficiaries." *Gibson v. Security Trust Co.*, 107 F.Supp. 766.

## CONDITIONAL SALE CONTRACTS

They Are Not "Accounts Receivable," in California, at Least.

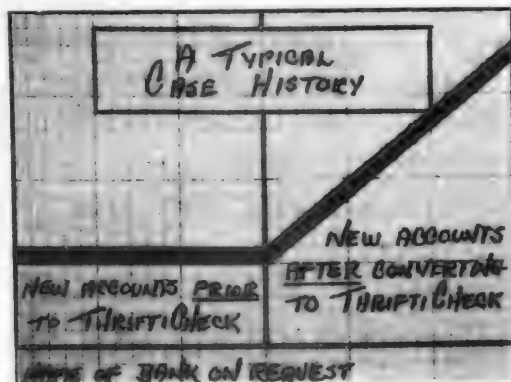
A CONDITIONAL seller's reserve account with the bank to which he assigns conditional sales contracts is not an account receivable within the meaning of the California statute requiring the filing of notice of assignments of such accounts, the United States District Court for the Southern District of California has held.

Before the court was the case of a bankrupt television dealer, who, prior to his bankruptcy, had borrowed \$5,000 from one Pantages and assigned to him as security his reserve account at his bank. This account consisted of 5 percent of the amount of all conditional sales contracts which the dealer sold to the bank, and was maintained as a protection to the bank against any default which purchasers might make on the individual contracts. Notice of the assignment was given to the bank, but public notice was not filed.

After the dealer's bankruptcy, the right of Pantages to the account was challenged and the referee in bankruptcy held that he was not entitled to it, on the grounds that it was an "account receivable," an assignment of which could not be valid against general creditors without the filing of public notice.

The district court reversed the referee's finding: The statute in question specifically exempted accounts represented by "instruments

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## ADVERTISING

### "SAVINGS" ACCOUNTS

A 20-MONTH-OLD decision of New York's Supreme Court for Nassau County, holding unconstitutional, as applied to national banks, a New York statute restricting use of the words "saving" or "savings," or their equivalent, to mutual savings banks and savings and loan associations has been reversed by the Appellate Division of that state's Supreme Court. The earlier decision, *People v. Franklin Nat'l Bank*, 108 N.Y.S. 2nd 81, was reported here in July 1951. When BANKING went to press, details of the appellate court's decision were not yet available.

for the payment of money"; the money in the reserve account, less any that might be applied against defaulted contracts, was "clearly" due to the dealer under his "dealer's agreement" with the bank; and that agreement was "an instrument for the payment of money."

If the reasoning behind the referee's order were correct, said the court, "it would follow as a logical conclusion" that all conditional sales contracts are accounts receivable and that their assignment and transfer to banks would be void without the filing of public notice. "It is inconceivable that the legislature intended to impose such a burden on the commercial world," the court opined. In re Richards, 108 F.Supp. 259.

### INTEREST AND USURY

**New Jersey Lenders May Not Calculate Interest at Maximum Statutory Rate Based on 360-Day Year Without Violating the Law.**

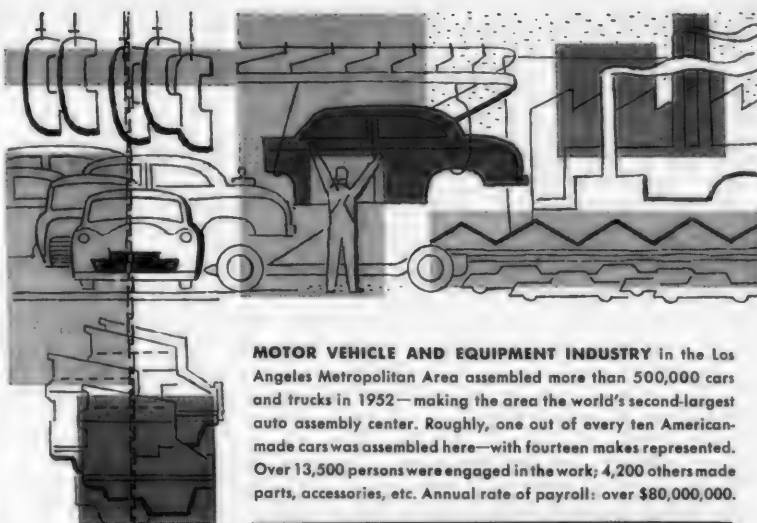
WHILE in most states the computation of interest at the highest permissible rate on the assumption that there are only 360 days in the year "is not usurious, provided this principle is resorted to in good faith as furnishing an easy and practicable mode of computation, and not as a cover for usury," New Jersey's Supreme Court recently held, in a case of first impression in that state, that the practice violates New Jersey's interest and usury statutes.

However, the court adjudged that the lender, who had customarily computed interest by using tables based upon a 360-day year rather than a 365-day year, had not engaged in a usurious transaction and, thus, was not required to forfeit the legal portion of the interest charged.

"Whereas in this case, the illegal interest is received by mistake or a miscalculation made in good faith, and not by intent to evade the usury laws, the transaction itself is not usurious and forfeiture of legal interest does not follow although the illegal interest received must be repaid," the court held.

It would seem, of course, that any lender who henceforth computes interest on a 360-day year basis might have difficulty pleading "a miscalculation made in good faith." Ditmars v. Camden Trust Co., 92 A.2d 12. *Paton's Digest, Interest and Usury, §14.*

JOHN RENÉ VINCENS



**MOTOR VEHICLE AND EQUIPMENT INDUSTRY** in the Los Angeles Metropolitan Area assembled more than 500,000 cars and trucks in 1952—making the area the world's second-largest auto assembly center. Roughly, one out of every ten American-made cars was assembled here—with fourteen makes represented. Over 13,500 persons were engaged in the work; 4,200 others made parts, accessories, etc. Annual rate of payroll: over \$80,000,000.

## SECURITY-FIRST NATIONAL BANK

OF LOS ANGELES

### Statement of Condition

December 31, 1952

#### RESOURCES

Cash and Due from Banks .....	\$ 396,112,107.27
U. S. Government Securities .....	\$988,685,398.02
State and Municipal Securities .....	59,063,355.80
Other Bonds and Securities .....	15,486,860.35
Loans (less reserves) .....	542,479,879.54
Earned Interest Receivable .....	6,272,689.10
Customers' Liability under Acceptances and I/C .....	3,963,105.32
Bank Premises .....	4,137,648.85
Other Assets .....	541,428.43
<b>TOTAL .....</b>	<b>\$2,016,742,472.68</b>

#### LIABILITIES

Capital .....	\$ 30,000,000.00
Surplus .....	40,000,000.00
Undivided Profits ....	45,896,051.88
Reserves for Interest, Taxes, etc. ....	17,757,915.09
Interest Collected—Unearned .....	5,102,036.41
Acceptances and Letters of Credit Liability .....	3,977,083.83
Other Liabilities .....	318,148.71
Deposits—Time ....	\$ 623,598,354.53
—Demand ..	1,250,092,882.23
<b>TOTAL .....</b>	<b>\$2,016,742,472.68</b>

Securities carried at \$181,114,526.24 are pledged to secure trust funds and U. S. Government, State and other Public Monies, and for other purposes as required or permitted by law.

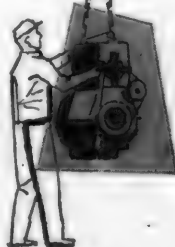
#### BOARD OF DIRECTORS

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# Other Organizations

The news in this department is edited by WILLIAM P. BOGIE of BANKING'S staff.

## FDIC on Audits

At a meeting at the Federal Deposit Insurance Corporation in Washington, the Iowa Bankers Association and other state bankers associations were lauded for their efforts to develop better audit and internal controls of banks.

"Several state bankers associations," said Chairman Maple T. Harl, "have recognized the primary importance of improvement in this field and are doing something about it. The Iowa questionnaire . . . is a typical and constructive example."

Mr. Harl said the FDIC had asked officers of the American Bankers Association, National Association of Supervisors of State Banks, and the Iowa Bankers Association to confer in Washington with representatives of the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the FDIC on ways and means of stimulating nationwide attention to the benefits of improved audits and controls. "We hope," he said, "to foster a general effort to achieve such improvement soon in a practical manner."

Those attending the conference included:

**A.B.A.:** President W. Harold Brenton and Deputy Manager George R. Amy.

**NASSB:** President Newton P. Black (Iowa) and Vice-president E. I. McKinley, Jr. (Arkansas).

**IBA:** President H. S. Lekwa, Past President R. A. Sweet, and Secretary Frank Warner.

**FRB:** Governor J. L. Robertson.

**OCC:** First Deputy Comptroller L. A. Jennings.

**FDIC:** Chairman Harl, Director H. E. Cook, Assistant to Chairman L. L. Robertson, Assistant to Director John N. Dinsmore, Examination Division Chief Vance L. Sailor, Treasurer Russell D. Miller, Research Division Deputy Chief Raymond Hengren, Counsel John L. Cecil, Examination Division Assistant Chief Russell Shearer, Assistant to the Chairman J. Forbes Campbell, and Liaison Officer Lester G. Truby.

Also present was Lester A. Pratt, CPA Washington, who cooperated with the Iowa Bankers Association in its audit and internal controls study.

## Audit Program

A NEW text on bank audits was released by the NEW YORK STATE

BANKERS ASSOCIATION at its midwinter meeting in New York City on January 19.

This new audit program is designed with a three-fold purpose: (1) to provide instruction to the examining committee of the bank's board of directors; (2) to provide instructions in operations for the bank auditor and controller; (3) to provide instruction for the internal and outside auditor on the procedure for examining a bank.

The program's slogan, adopted by the NYSBA, is "Control It and Audit It."

The text, entitled *Safeguarding the Bank's Assets*, was prepared for the association by R. G. Rankin and Colin MacLennan of R. G. Rankin & Co., certified public accountants.

It is divided into two sections. On the left-hand pages are discussions of basic records and internal controls, while the opposite pages set forth the corresponding audit procedures. The book's 68 pages cover internal controls and auditing procedures for each department in a bank.

Cooperating in preparation of the text were Howard D. Crosse, assistant vice-president, Federal Reserve Bank of New York; Frank W. Krippe, chief national bank examiner, Office of the Comptroller of the Currency; Henry J. Nauer, deputy superintendent, New York State Banking Department; and Neil G. Greensides, supervising examiner, Federal Deposit Insurance Corporation.

According to a representative of the New York association, this is "the first time that all of the supervisory authorities have gotten together and indicated what they consider proper examining procedures."

## Anti-Fraud Kit

As a major part of an early 1953 offensive in its war on bank fraud, the NATIONAL ASSOCIATION OF BANK AUDITORS AND COMPTROLLERS is making available an "anti-fraud

(CONTINUED ON PAGE 104)

Bankers and supervisory representatives at FDIC conference on better audit and internal controls for banks. Seated, left to right, Messrs. Cook, Pratt, Warner, Sweet, Lekwa, Amy, Brenton, and Harl. Standing, Messrs. L. L. Robertson, Truby, Sailor, Black, McKinley, Jennings, Miller, Cecil, Hengren, and Dinsmore. J. L. Robertson, FRB, is not shown





# THE HANOVER BANK

## Reports for 1952

"The Hanover Bank continues to rank among the leading banks of the country in correspondent bank relationships. It is gratifying that nearly 600 domestic banks of our 2400 banking correspondents here and abroad have been our customers for more than half a century."—*From The Hanover Bank's 1952 Annual Report.*

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President  
America Fore Insurance Group  
JOHN B. CLARK  
President, The Clark Thread Co., Inc.  
JARVIS CROMWELL  
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President, Westinghouse Electric Corp.  
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Attorney, Robinson, Robinson and Cole  
JOHN P. STEVENS, JR.  
Chairman of the Board  
J. P. Stevens & Co., Inc.  
WILLIAM WOODWARD, JR.  
New York

### Statement of Condition, December 31, 1952

#### ASSETS

Cash and Due from Banks . . . . .	\$ 561,341,671.50
U. S. Government Securities . . . . .	511,476,756.66
State and Municipal Securities . . . . .	37,417,955.44
Other Securities . . . . .	13,644,140.11
Loans and Bills Purchased . . . . .	690,746,173.08
Real Estate Mortgages . . . . .	7,269,179.31
Banking Houses . . . . .	8,950,011.00
Interest Accrued . . . . .	2,420,903.34
Customers' Liability on Acceptances Outstanding . . . . .	15,933,064.72
	<u>\$1,849,199,855.16</u>

#### LIABILITIES

Deposits . . . . .	\$1,676,834,062.46
Acceptances . . . . .	\$25,681,293.48
In Portfolio . . . . .	<u>8,667,544.03</u>
Reserves:	
Taxes, Interest, etc. . . . .	12,037,738.93
Dividend:	
Payable January 2, 1953 . . . . .	1,200,000.00
Capital . . . . .	\$24,000,000.00
Surplus . . . . .	100,000,000.00
Undivided Profits . . . . .	<u>18,114,304.32</u>
	<u>\$1,849,199,855.16</u>



There are pledged to secure public monies and to qualify for fiduciary powers  
U. S. Government Securities carried at \$98,318,997.07

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

(CONTINUED FROM PAGE 102)

kit" to every bank in the country.

The association's President George Ehrhardt, assistant vice-president, The Hanover Bank, New York City, states: "We are doing this because of the current need for more ways to combat bank fraud. Four helpful auditing publications are included in this kit: *Audit Program for the Smaller Bank*, *Audit Schedule Control Book*, *Audit Aids for Small and Moderate Sized Banks*, and the *Audit Schedule for Smaller Savings Banks*."

NABAC's president pointed out that as World War II came to a halt, predictions were made that history would repeat and crime would climb steadily. This proved to be true. Six years after the cessation of hostilities in that war, the trend was still up. The FBI's J. Edgar Hoover reported that bank embezzlement increased 8.6 percent during the first eight months of 1951 as compared to the preceding year.

Total defalcations disclosed in in-

sured banks increased from 270 in 1946 to 608 in 1951, and current FDIC figures show that from January to September 1952 there was an increase of 5.33 percent in defalcations in insured banks over the same nine months of 1951.

Mr. Ehrhardt also announced that the association is now preparing an "Audit Schedule for Smaller Trust Departments" and a booklet entitled *Internal Safeguards for Country Banks*. These will be made available in the near future.

Another aid toward safer banking being made available by NABAC is its School for Bank Auditors and Comptrollers, which will open June 29, 1953, at the University of Wisconsin. Applications are now being distributed by Registrar D. R. Cochard (at NABAC's headquarters). It will be a three-year course (two weeks each year) featuring a year each of accounting, auditing, and control.

NABAC's anti-fraud kits are available at its headquarters, Suite 762, 38 South Dearborn Street, Chicago 3.

At the Western States Secretaries Conference, San Francisco, December 15 and 16. Seated, left to right: H. B. Crandall, executive manager-treasurer, Utah Bankers Association, and president, First State Bank of Salina, Utah; William T. Wilson, deputy manager, American Bankers Association, and secretary, State Association Section; Arthur L. Ganson, vice-president, Western States Secretaries Conference, and executive secretary, Washington Bankers Association; S. Walter Guthrie, president, Western States Secretaries Conference, and secretary, Idaho Bankers Association; J. E. Beaupert, secretary-treasurer, Western States Secretaries Conference, secretary, Nevada Bankers Association, and assistant cashier, First National Bank of Nevada, Reno; James C. Scarboro, president, State Association Section, American Bankers Association, and secretary-treasurer, Colorado Bankers Association; J. C. Hester, executive secretary, New Mexico Bankers Association. Standing, left to right: Scott A. MacEachron, executive secretary, Oregon Bankers Association; Oscar R. Mennenga, executive manager, California Bankers Association; Perry T. Joy, assistant manager, California Bankers Association; J. G. Murphy, secretary-treasurer, Wyoming Bankers Association; Robert H. Whitacre, secretary-treasurer, Arizona Bankers Association, and assistant vice-president, First National Bank of Arizona, Phoenix; Robert C. Wallace, secretary-treasurer, Montana Bankers Association. Newly elected officers of the Conference, representing 11 western states, are: president: A. L. Ganson; vice-president: J. E. Beaupert; secretary-treasurer: R. H. Whitacre.



## Savings Facilities

A TWO-YEAR study of savings facilities in New York State, commissioned by the NEW YORK STATE BANKERS ASSOCIATION at the request of the state superintendent of banks, has been made public. It is published as an 84-page booklet under the title, *Independent Bank Survival*.

Ernest H. Watson, president of the Association, who also heads the First Westchester National Bank of New Rochelle, says that the study was made to determine whether the need for additional savings bank branches exists.

Dr. William E. Dunkman, professor of economics at the University of Rochester, directed the study, which is unprecedented in banking history as the first such comprehensive report of banking facilities ever made anywhere in the nation, Mr. Watson pointed out.

## Natural Resources

ONE OF THE DELAWARE BANKERS ASSOCIATION's major projects for this year is the sponsoring of an all-day state conference on natural resources.

Its purpose is to learn of the many new developments in this field and to establish intercommunication among all engaged or interested in the preservation of Delaware's natural wealth.

## PR Manual

A NEW manual, stressing the value of a sound bank public relations program and supplying practical instruction on beginning and maintaining such a program, has been published for the cooperative educational program of the PENNSYLVANIA BANKERS ASSOCIATION.

The manual, *A Minimum Public Relations Program for Banks*, covers in detail five phases of a public relations program: (1) plans and preliminaries; (2) operation of program (which includes a catalog of opportunities for good public relations work); (3) cost of the program; (4) advertising media; (5) evaluating the program.

The manual is intended primarily for the bank which does not yet have a complete and fully coordinated public relations program; however, even the bank which has for years been

vigorous and progressive in this direction is likely to find useful steps that have been overlooked.

## Independent Bankers

WILLIAM C. NEARY, vice-president, Union Bank & Trust Company of Los Angeles, has been elected president of the INDEPENDENT BANKERS ASSOCIATION OF SOUTHERN CALIFORNIA for 1953. Mr. Neary served last year as vice-president of the association, which is composed of more than 66 independent banks in the Southern California area.

## Northwest Conference

THE fourteenth annual PACIFIC NORTHWEST CONFERENCE ON BANKING will be held April 9 and 10 at the State College of Washington, Pullman. The program will include top Federal and Canadian officials, bankers, and business leaders in formal talks and panel discussions.

## PR Director

MARK R. SEIRSDALE has been named director of public relations for the ILLINOIS BANKERS ASSOCIATION, according to a recent announcement made by Kirk E. Sutherland, secretary of the association.

In his new position Mr. Seirsdale will act as secretary to the Committee on Education and Public Relations and be responsible for publicity covering the activities of the association, and assist member banks in planning educational and public relations programs. He will also assist Mr. Sutherland in the administration and mechanics of public relations projects and IBA activities.

## FDIC Scrapbook

THE June 30, 1952 report to insured banks by the Federal Deposit Insurance Corporation is labeled the "Bankers Conference Issue." It contains seven pages of pictures showing various bankers groups meeting in the Capital with FDIC officials, beginning with a meeting of the American Bankers Association legislative committees with FDIC and other bank agency representatives in January of last year.

Other banker groups whose meetings are included in this "scrapbook" are the American Industrial Bankers Association, Connecticut Bankers

Association, Savings Banks Association of Connecticut, Consumer Bankers Association, Delaware Bankers Association, Illinois Bankers Association, Independent Bankers Association, Kansas Bankers Association, Savings Banks Association of Massachusetts, Michigan Bankers Association, Minnesota Bankers Association, New Jersey Bankers Association, Savings Banks Association of New Jersey, Savings Banks Association of the State of New York, North Dakota Bankers Association, South Dakota Bankers Association, and the Wisconsin Bankers Association.

## "K Y B" Week

GEORGE WASEM, assistant vice-president of the Commercial National Bank of Peoria, has been named general chairman of the Illinois "Know Your Bank Week" Committee. The statewide public education program will be conducted May 4-9.

Plans and material for the promotion will be presented to the membership of the ILLINOIS BANKERS ASSOCIATION at the midwinter conference to be held February 5, 1953, in Chicago.

# THE FORT WORTH NATIONAL BANK

FORT WORTH, TEXAS

STATEMENT OF CONDITION AT CLOSE OF BUSINESS  
DECEMBER 31, 1952

## RESOURCES

CASH AND DUE FROM BANKS.....	\$ 92,731,437.00
UNITED STATES GOVERNMENT SECURITIES.....	53,496,639.71
OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS.....	5,529,495.84
OTHER BONDS, NOTES AND DEBENTURES.....	925,575.35
STOCK FEDERAL RESERVE BANK.....	360,000.00
LOANS AND DISCOUNTS.....	99,026,686.97
INCOME EARNED—UNCOLLECTED.....	356,115.83
BANKING HOUSE AND GARAGE PROPERTY.....	3,987,000.00
FURNITURE AND FIXTURES.....	1.00
OTHER REAL ESTATE.....	1.00
CUSTOMERS' LIABILITY—LETTERS OF CREDIT.....	234,409.88
OTHER RESOURCES.....	116,707.52
TOTAL.....	\$256,764,060.90

## LIABILITIES

COMMON STOCK.....	\$6,000,000.00
SURPLUS.....	6,000,000.00
UNDIVIDED PROFITS.....	568,503.25
RESERVE FOR CONTINGENCIES.....	\$12,568,503.25
RESERVE—AMORTIZATION OF BOND PREMIUMS.....	2,036,021.98
RESERVE—TAXES, INTEREST, EXPENSE, ETC.....	1,027,671.05
LETTERS OF CREDIT ISSUED.....	1,106,592.56
INCOME COLLECTED—UNEARNED.....	234,409.88
DEPOSITS:	
INDIVIDUAL.....	\$161,083,611.07
BANK.....	61,241,801.79
U. S. GOVERNMENT.....	7,592,439.82
OTHER PUBLIC FUNDS.....	8,944,759.75
TOTAL.....	\$256,764,060.90

U. S. Government and other securities carried at \$29,607,521.75 in the above statement are deposited to secure public funds and for other purposes required or permitted by law.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

## More and More Banks are providing Merchants Charge Account Service



...using  
**Craig** Equipment and Systems

There's a good reason why! **Craig** specializes in Accounts Receivable systems, having designed them for over 400 customers. **Craig** insures a smooth, trouble-free operation by furnishing:

- Assistance in planning and setting-up your operation on a sound, low-cost basis.
- Information on capital requirements, return on investment, operating costs, etc.
- Proven procedure for bookkeeping, control, collection and other phases of the plan.
- Files — forms — and indexes.
- Continuing interest in the efficiency of your operation.

**Craig** will help you extend your banking service with a merchants charge account plan.

**CRAIG FILES, Danvers, Massachusetts.**

*We'll be looking forward to meeting our friends at the National Instalment Credit Conference, Chicago, on March 23, 24, 25.*

**Craig**  
EQUIPMENT AND SYSTEMS

## Your Money's Worth

(CONTINUED FROM PAGE 59)

illustrate an interesting commentary on the means of combating inflation.

The discussion leader, as the "family physician," traces the use made of these remedies and antidotes during the postwar period and answers questions from the audience.

Then, with the audience cast in the role of "consulting physicians," he supposes a crisis—such as all-out war—and poses the question: "If you were the monetary authorities in such circumstances, what would you prescribe?"

In conclusion, the script says: "We are faced with a choice between two fundamentally different philosophies of economic life. In prescribing for the patient, we can put him in the strait jacket of controls which, within limits, can hold the feverish patient in check while the basic virus is not touched. Or we can rely on the antibiotics of fiscal and monetary policy which attempt to limit the flow of spendings to one more in keeping with the maximum flow of goods and services, so that there is no wastage of spending in prices.

"The choice is ours. But in making our choice, let us be fully aware of what we are choosing."

### YOUR TAX I. Q.

(Answers to quiz on page 82)

(1) (c) Your son's prize here would be considered taxable income. That raises his total income to \$601, and he cannot qualify as a dependent.

(2) (a) The amounts spent should be deductible as business expenses, if you kept a careful record which lists them in detail, and shows clearly that the entertainment was with a predominating business motive and not incident to the vacation.

(3) (b) A non-business bad debt is a capital loss. And you can take only \$1,000 a year in capital losses—unless you can apply them against capital gains. You are allowed to carry over unused losses for five years; better get expert advice.

(4) (b) Assuming your income is classified as self-employment income (see tax instructions) and is not from engaging in an exempt profession, a tax of  $2\frac{1}{4}$  percent on the first \$3,600 is due.

(5) (c) You cannot deduct contributions to an organization which spends a substantial part of its time on lobbying or political propaganda.

(6) (b) In this case, you can file a claim for refund within three years.

(7) (b) If your wife works for you, you are not supposed to pay social security taxes on her salary, nor is she supposed to make her contributions.

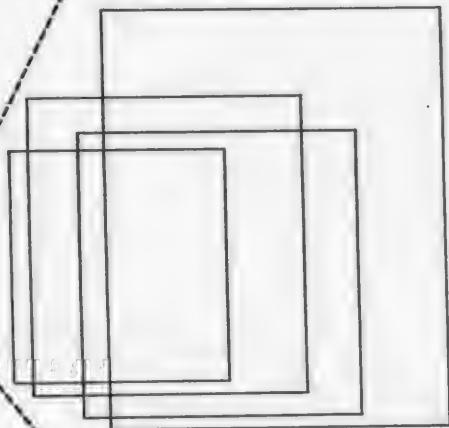
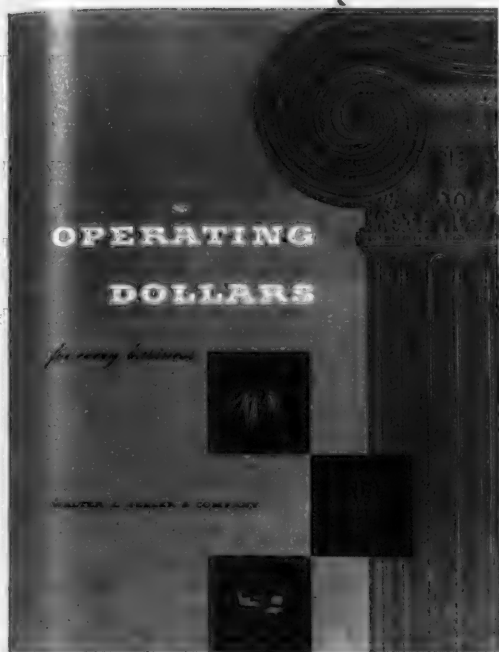
(8) (b) On leased property, you normally spread cost of improvements through the lease.

(9) (c) The roof is an improvement, not deductible currently like ordinary repairs. Its cost is deductible as depreciation spread over its estimated useful life.

(10) (c) Inheritance taxes are not deductible.



# FACTS versus illusions!



**this book of facts about  
commercial financing sent free on  
request to bank officials.**

Illusions and misconceptions about Commercial Financing may create problems for bankers and their customers that clear knowledge of the facts will solve. This is why many bank officers now use our descriptive pamphlet, **OPERATING DOLLARS**, as a desk reference. It is a plain statement, illustrated by case histories, of the financial services rendered by Walter E. Heller & Company. **OPERATING DOLLARS** gives the bank official a factual and objective picture of the types of supplementary financing available to his customers through individualized Heller plans.

A request on your official stationery will bring a copy to your desk.

**WALTER E. HELLER & COMPANY**  
*Established 1919*

BANKERS BUILDING, 105 W. ADAMS ST., CHICAGO 90, ILLINOIS  
NEW YORK OFFICE: 10 EAST 40TH STREET, NEW YORK 16

## THE FINANCIAL SERVICES

rendered by Walter E. Heller & Company are not fully identified by simple tabulation because they are variously coordinated and applied to fit specific situations.

The following types of supplementary financing are flexibly administered according to experience gained from national operations which now represent a volume in excess of \$300,000,000 annually.

ACCOUNTS RECEIVABLE FINANCING  
INDUSTRIAL FACTORING  
INSTALLMENT FINANCING  
REDISCOUNTING  
MACHINERY AND EQUIPMENT LOANS  
INVENTORY LOANS



## Methods and Ideas

(CONTINUED FROM PAGE 61)

The program started early in October with an advertisement asking people to send in their questions—anything they wanted to know about banking. A \$5 reward was offered for any question used.

The money was paid in one of three ways: deposited in a new account opened for the winner; in his existing account; or in any designated account.

The results have been good.

## Bank Ads Feature Families

THE CITIZENS NATIONAL TRUST AND SAVINGS BANK of Riverside, California, has had good results from large space newspaper ads with a distinctive format. Photographs of local families were used in each, and copy explained how the bank's services were helping them finance new homes, enjoy vacations, modernize kitchens, etc.

The pictures showed the families at home, or stepping into the new car, or admiring a new household appliance.

Objectives of the campaign were to promote the bank's facilities and show how banking services contribute to the welfare, health, and happiness of the public; also, to humanize the bank.

The Bureau of Advertising, American Newspaper Publishers Association, quotes President Elden Smith: "The advertising campaign, together with the growth of the city, has been responsible for a marked increase in our business since 1950."

## Tribute to a Good Neighbor

STATE-PLANTERS BANK AND TRUST COMPANY, Richmond, Virginia, used the 25th anniversary of its office in Hopewell as the occasion for highly complimenting that community, "Richmond's good neighbor."

A newspaper ad called attention to Hopewell's accomplishments. An illustrated booklet expanded the theme, saluting the town's industrial, cultural, educational, civic, and religious activities. There was a special salute to the organizations that "help make Hopewell a better place in which to live."

## Bank Promotes "Shop at Home"

THE BANK OF THOMAS COUNTY, Thomasville, Georgia, devotes 50 percent of its radio time to selling

### Auditing Deposits

After reading "A Method of Auditing Deposits" (page 17, January BANKING), Edward C. Brenner, cashier of The First National Bank of Wisconsin Rapids, Wisconsin, wrote that he believed his bank uses about the same procedure. "Our batch," he says, "is a day's work, and after the proof department has turned in its totals an audit clerk proceeds to reconcile them with the totals from the teller machines. In this way all deposits are accounted for, the cash in and cash out totals are also accounted for, and the difference is the amount of currency, coin and cash items." The January article was written by George C. Robbins, trust officer of The Tradesmens Bank & Trust Company, Vineland, New Jersey.

## CHEMICAL BANK & TRUST COMPANY

Founded 1824

165 Broadway, New York

### CONDENSED STATEMENT OF CONDITION

At the close of business December 31, 1952

#### ASSETS

Cash and Due from Banks	\$ 530,997,955.82
U. S. Government Obligations	485,678,691.33
State, Municipal and Public Securities	168,636,854.79
Other Bonds and Investments	7,399,558.06
Loans	823,454,918.56
Banking Houses Owned	400,422.46
Customers' Liability on Acceptances	22,491,065.91
Accrued Interest and Accounts Receivable	5,813,782.71
Other Assets	3,322,105.93
	<u>\$2,048,195,355.57</u>

#### LIABILITIES

Capital Stock	\$25,400,000.00
Surplus	85,000,000.00
Undivided Profits	14,750,959.29
	<u>\$ 125,150,959.29</u>
Reserve for Contingencies	4,919,186.56
Reserves for Taxes, Expenses, etc.	9,404,658.86
Dividend Payable January 1, 1953	1,270,000.00
Acceptances Outstanding (Net)	24,348,614.21
Other Liabilities	1,710,191.25
Deposits	1,881,391,745.40
	<u>\$2,048,195,355.57</u>

Securities carried at \$135,601,329.87 in the foregoing statement are deposited to secure public funds and for other purposes required by law

Charter Member New York Clearing House Association  
Member Federal Reserve System  
Member Federal Deposit Insurance Corporation

the trade area on the virtues of shopping at home.

Closely tied to this promotion is a newspaper campaign that includes large ads in the local newspaper's special Easter and Christmas shopping editions. Last December, for example, the bank used a two-color ad to urge residents to do their holiday buying in Thomasville. Copy gave six reasons for patronizing home merchants.

"We received some very favorable comments," says Vice-president H. B. Gurley.

### Moving Day

PAN AMERICAN BANK of Miami, Florida, issued a lively booklet to tell customers and the public about its move to a new building.

The title, "Ever Move a Bank?," invited inspection of the inside pages where the reader was taken on a tour of the new quarters. Cartoon drawings, including one that showed the bank's officers carrying equipment and another that depicted the movers' procession along the street, provided plenty of action. Featured facilities were also described in text.

A two-page drawing provided a panorama that placed the bank's various services in the lobby.

### For Your Christmas 1953 Idea File

It's a bit late to be talking about Christmas 1952, but Christmas 1953 will be coming along before you know it, and you may want to start building an idea file.

A couple of candidates for it reached this department's desk just too late for previous reporting, and we're passing them along in the belief that you'll find them interesting. We have their originators' assurances that they worked.

THE FORT WORTH (Texas) NATIONAL BANK issued a catalog of "unusual Christmas gifts" available at the bank. They included, for youngsters, a "Book of Thrift" savings bank. For the family the Fort Worth suggested a new car financed with an auto loan, a home improvement loan, a gift check or currency container, a calendar bank, checking and saving accounts, a safe deposit box, personalized checks, and a living trust.

The eight-page catalog was about the size of a checkbook, printed in two colors and illustrated with car-

toons. It was mailed as a statement enclosure early in December.

The response, reports Vice-president Reed Sass, was gratifying and the bank plans a similar piece in 1953, mailing it early in November to allow plenty of time for circulation and study.

"While the catalog is an old and proven merchandising medium," says Mr. Sass, "it is our belief that this may well be the first instance in which a bank has issued a catalog to promote the use of its services."

Here's another sharp idea: a

baby-sitting service for Christmas shoppers.

This one was tried by the CITIZENS AMERICAN BANK of Merrill, Wisconsin, which invited parents to leave their children, between the ages of three and seven, at the bank during evening shopping hours the week before Christmas. Two women were employed to look after the youngsters, show them movies and organize games.

The service, says Vice-president Robert L. Banks, was used to capacity.

## MISSING . . . \$800,000,000

In the past two years, 1950 and 1951, direct investments in Canada by U.S. businessmen increased by approximately \$800,000,000. The investors, many of them your customers or prospective customers, want a bank that knows Canada.

Imperial Bank is in a position to offer you on-the-spot information about Canada. Our branches, many of them strategically located throughout the mining and oil areas, serve as 'listening posts' to keep you up-to-date on changing business trends, conditions, opportunities.

We invite interested U.S. banks to write us . . . we'll be glad to outline our services.

40-2

## IMPERIAL

THE BANK THAT SERVICE BUILT  
IMPERIAL BANK OF CANADA

## Main Street

(CONTINUED FROM PAGE 28)

A. HAYWARD and JOHN M. SESSIONS, vice-presidents.

JOSEPH F. VERHELLE, president of City Bank, Detroit, has been appointed 1953 Brotherhood Chairman for the Michigan region.

HERBERT F. BOETTLE, vice-president, First National Bank in St. Louis, has been elected to the new position of vice-president and chairman of the loan committee. He remains in charge of the foreign and industrial service departments.

E. E. BARKER, JR., is now vice-president of the National City Bank of Cleveland.

### Charles E. Spencer, Jr.

CHARLES ELDRIDGE SPENCER, JR., chairman of the board of the First National Bank of Boston, died on January 18 at the age of 70.

In 50 years in the banking business, he rose from clerk in a bank in New Brunswick, N. J., to become head of one of the largest banks in the country. MR. SPENCER became president of the First National Bank of Boston in 1928; its chairman in 1947.

He was for many years a member of the Government Borrowing Committee of the American Bankers Association.

MARY ELLEN MCLEAR has been named special representative for women's banking services at First Na-

tional Bank, Minneapolis. MISS MCLEAR, who has been with the bank for 10 years, is to serve as "goodwill ambassador."

ALFRED W. THOMPSON, formerly vice-president and trust officer at Security Trust Company, Miami, Florida, has joined the First National Bank of Miami as a trust officer.

### Crane Named Chairman N. Y. Federal Reserve

JAY E. CRANE, vice-president and a director of Standard Oil Company of New Jersey, has been appointed chairman of the Federal Reserve Bank of New York and Federal Reserve Agent.

He succeeds ROBERT T. STEVENS who resigned to become Secretary of the Army.

MR. CRANE is a former employee and officer of the bank, having joined it in 1915. He was named deputy governor in 1930, and in 1935 left to join Standard Oil.

The Bank's board has accepted also the resignations of W. RANDOLPH BURGESS and MARION B. FOLSOM as Class A and Class B. directors, respectively. MR. FOLSOM left to become Undersecretary of the Treasury and DR. BURGESS left to become Deputy Secretary of the Treasury in charge of fiscal policy and debt management.

F. W. BEIDELMAN and BAILEY THEUS, JR., were advanced to vice-presidencies at Florida National Bank of Jacksonville on January 8.



Joseph A. Kaiser



James P. Furniss

New president of The Williamsburgh Savings Bank, Brooklyn, is JOSEPH A. KAISER, formerly executive vice-president. ELLIOTT M. ELDRIDGE, president since 1942, was elected chairman of the board.

JAMES P. FURNISS has been named assistant vice-president in charge of advertising of the Citizens & Southern National Bank, Atlanta.

A gold medal for the best 1952 newspaper advertisement of more than 300 lines was awarded to THE PENNSYLVANIA COMPANY FOR BANKING AND TRUSTS by the Art Directors Club of Philadelphia. The ad featured a pen-and-ink illustration of the Philadelphia Art Museum. A reproduction of one of the illustrations in this series appears on page 104 of January BANKING.

ROBERT F. MARCHANT has been promoted to vice-president and treasurer of The Bank for Savings, New York.

Vice-presidents WALTER H. HONEBRINK and FRANK H. DELANEY have retired from First National Bank of Saint Paul, Minnesota, but both will continue to serve in advisory capacities. LEON L. SMITH, RUSSELL H. JOHNSON, and WALTER J. BERQUIST were advanced to vice-presidencies.

At its annual Christmas dinner dance, the employees club of the REPUBLIC NATIONAL BANK OF DALLAS, TEXAS, presented a sound movie projector to the Dallas Day Nurseries.

CARROLL R. SPEARMAN, executive vice-president and director of National Bank of Commerce, San Antonio, Texas, has been elected president of the San Antonio Chamber of Commerce for 1953.

New vice-presidents at Bankers Trust Company, New York, are: TALBOT BABCOCK, GRAHAM H.

(CONTINUED ON PAGE 113)



Henry Bailey Little, right, an active banker at 102, with his son Leon, a retired banker at 65. The elder Little refused a 55th term as president of the Institution for Savings in Newburyport, Mass., and was named president emeritus. William Balch, who's only 83, is now president.

WIDE WORLD



# THIS IS YOUR REPUBLIC

## DIRECTORS

KARL HOBLITZELLE  
Chairman of the Board

FRED F. FLORENCE  
President

T. E. BRANIFF  
Pres., Braniff International Airways, Inc.

DR. EDWARD H. CARY  
Medical Arts Building

WIRT DAVIS, II  
Investments

R. B. GEORGE  
Pres., R. B. George Equipment Co.

HAMLETT HARRISON  
Exec. Vice-Pres., Trinity Univ. Ins. Co.

J. M. HIGGINBOTHAM, JR.  
Higginbotham-Bailey Co.

RALEIGH HORTENSTINE  
Pres., Wyatt Metal & Boiler Works

J. C. KARCHER  
President, Concho Petroleum Co.

J. L. LATIMER  
President, Magnolia Petroleum Co.

W. W. LYNCH  
President, Texas Power & Light Co.

LEWIS W. MACNAUGHTON  
President, DeGolyer & MacNaughton

STANLEY MARCUS  
President, Neiman-Marcus Company

B. F. MCLEAN  
President, Hart Furniture Company

HOMER R. MITCHELL  
Chairman, Texas Employers Ins. Assn.

CHARLES R. MOORE  
President, Austin Bridge Company

GEORGE H. PENLAND  
Chm. of Board, Southwestern Drug Corp.

J. H. PEARLSTONE  
Pres., Pearlstone Mill & Elevator Co.

LAWRENCE S. POLLOCK  
President, Pollock Paper Corporation

CHARLES B. ROBERTS  
Investments

J. W. SIMMONS  
President, Simmons Cotton Oil Mills

JOE C. THOMPSON  
President, Southland Corporation

WILLIAM H. WILDES  
President, Republic Natural Gas Co.



## Statement of Condition

December 31, 1952

### RESOURCES

Cash and Due from Banks . . . . .	\$184,539,906.77
U. S. Government Securities . . . . .	95,439,638.18
State, Municipal and Other Securities . . . . .	9,591,879.25
Stock in Federal Reserve Bank . . . . .	1,275,000.00
Loans and Discounts . . . . .	241,288,781.31
Bills of Exchange and Commodity Loans . . . . .	31,070,175.52
Real Estate—New Building and Equipment . . . . .	7,254,172.44
Acceptances—Customers Account . . . . .	17,231,077.79
<b>TOTAL . . . . .</b>	<b>\$587,690,631.26</b>

### LIABILITIES

Capital . . . . .	\$21,000,000.00
Surplus . . . . .	21,500,000.00
Undivided Profits . . . . .	4,682,140.56
Reserve for Contingencies . . . . .	5,040,120.88
Reserve for Taxes, etc. . . . .	2,752,343.41
Acceptances—Customers Account . . . . .	18,431,077.79
<b>Deposits:</b>	
Individual . . . . .	312,941,068.82
Banks . . . . .	181,724,238.85
U. S. Government . . . . .	19,619,640.95
<b>TOTAL . . . . .</b>	<b>\$587,690,631.26</b>

★ ★ ★

Assets of the Republic National Company, which owns majority stock in the following banks located in Greater Dallas, are not included in the above statement:

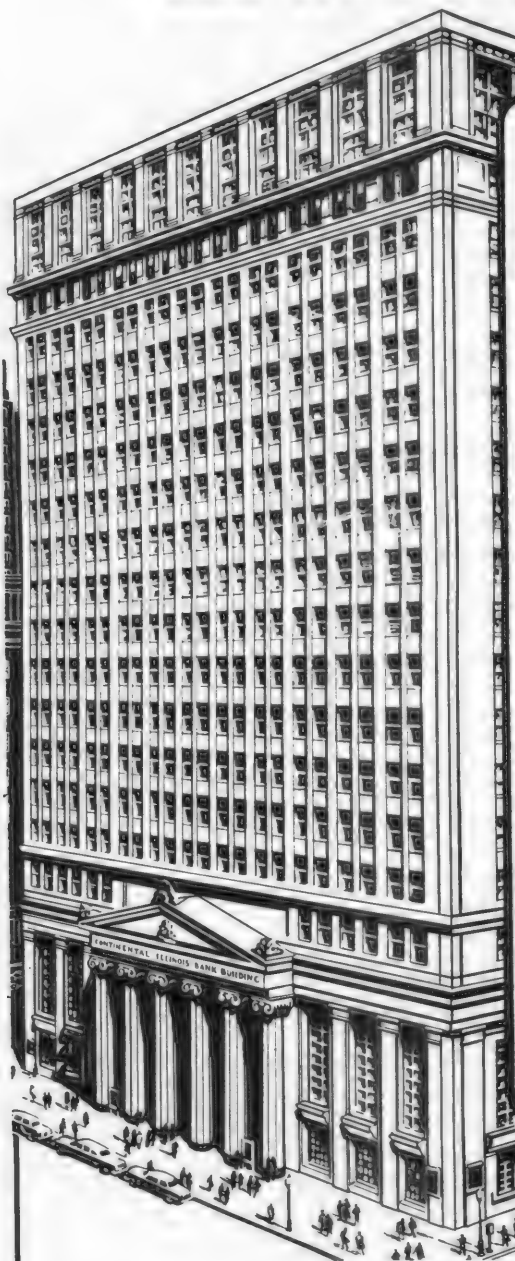
FAIR PARK NATIONAL BANK	LAKEWOOD STATE BANK
GREENVILLE AVENUE STATE BANK	NATIONAL CITY BANK
HIGHLAND PARK STATE BANK	OAK CLIFF BANK & TRUST CO.
OAK LAWN NATIONAL BANK	

# REPUBLIC NATIONAL BANK

OF DALLAS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

# Continental Illinois National Bank and Trust Company of Chicago



## Statement of Condition, Dec. 31, 1952

### RESOURCES

Cash and Due from Banks.....	\$ 559,158,953.22
United States Government Obligations	1,296,855,068.74
Other Bonds and Securities.....	154,651,671.14
Loans and Discounts.....	767,043,046.26
Stock in Federal Reserve Bank.....	5,250,000.00
Customers' Liability on Acceptances..	668,088.36
Income Accrued but Not Collected....	8,174,019.85
Banking House.....	8,700,000.00
	<u>\$2,800,500,847.57</u>

### LIABILITIES

Deposits.....	\$2,568,797,375.35
Acceptances.....	884,879.96
Reserve for Taxes, Interest, and Expenses.....	12,468,823.00
Reserve for Contingencies.....	18,106,404.90
Income Collected but Not Earned....	1,170,217.51
Capital Stock.....	75,000,000.00
(2,250,000 shares. Par value \$33½)	
Surplus.....	100,000,000.00
Undivided Profits.....	24,073,146.85
	<u>\$2,800,500,847.57</u>

United States Government obligations carried at \$301,018,329.14 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

## Continental Illinois National Bank and Trust Company of Chicago

LOCK BOX H, CHICAGO 90, ILLINOIS  
Member Federal Deposit Insurance Corporation

### BOARD OF DIRECTORS

WALTER J. CUMMINGS, *Chairman*

J. Q. ADAMS

Real Estate

CARL A. BIRDSALL

President

CHAUNCEY B. BORLAND

Managing Owner, Borland Properties

CHAMP CARRY

President, Pullman Incorporated

D. A. CRAWFORD

Director, Pullman Incorporated

EDWARD A. CUDAHY

Chairman of the Board, The Cudahy Packing Company

JOHN F. CUNEO

President, The Cuneo Press, Inc.

MARSHALL FIELD

President, Field Enterprises, Inc.

LAWRENCE P. FISHER

Director, General Motors Corporation

CHARLES Y. FREEMAN

Chairman, Commonwealth Edison Company

THEODORE V. HOUSER

Vice Chairman of the Board, Sears, Roebuck and Co.

JAMES R. LEAVELL

Banker

WILLIAM H. MITCHELL

Partner, Mitchell, Hutchins & Co.

ROBERT H. MORSE, JR.

President, Fairbanks, Morse & Co.

PETER V. MOULDER

Executive Vice President, International Harvester Company

A. W. PEAKE

President, Standard Oil Company (Indiana)

H. A. SCANDRETT

Railroad Executive, retired

FRANK F. TAYLOR

Vice President

HERMAN WALDECK

Executive Vice President

R. L. WILLIAMS

President, Chicago and North Western Railway System

CHARLES D. WIMAN

President, Deere & Company

## MAIN STREET (Continued)

BREWER, W. NEAL FULKERSON, JR., and ROBERT B. LEE.

TRADE BANK AND TRUST COMPANY, New York, celebrated its 30th anniversary with a big birthday party just before Christmas.

The FIRST AMERICAN NATIONAL BANK, Nashville, Tennessee, is building a warehouse to store supplies and records.

When CITIZENS FIDELITY BANK AND TRUST COMPANY, Louisville, Kentucky, formally opened its enlarged and modernized main office, some 7,000 people swarmed through the doors in less than 12 hours.

New vice-presidents of Fidelity Union Trust Company, Newark, New Jersey, are CHARLES C. CRISSEY, JR., and RAYMOND F. VANDERHOFF.

CHARLES GILBERT PRICE has been appointed vice-president in Bank of America's loan supervision department at the San Francisco head office.

JOHN HEINRICH, vice-president of Lincoln Savings Bank, Brooklyn, is new president of the Bankers Club of Brooklyn. He succeeds CARL J. MEHLDAU, vice-president of Kings County Trust Company. MR. HEINRICH, an alumnus of The Graduate School of Banking, is a past presi-

dent of Group Five Savings Banks Officers Association. Other officers are: Vice-president, ALFRED M. OLSEN of Lafayette National Bank; secretary, ROGER SAXTON of East New York Savings Bank; treasurer, WILLIAM H. MORRISON of Corn Exchange Bank.

MISS B. G. HALE, auditor of The Bank of Georgia, Atlanta, has been promoted to vice-president.

H. V. GRICE has been named a vice-president of California Bank, Los Angeles.

New vice-presidents of Chemical Bank & Trust Company, New York, are GEOFFREY V. AZOY, CHARLES E. HAYWARD, JR., and ARTHUR S. SHERWIN.

WILLIAM F. STAPLES, vice-president and investment officer of Exchange National Bank, Olean, New York, has been named president of the Fall River (Massachusetts) Five Cents Savings Bank, succeeding FRED WATTS who is retiring as president and chairman after 36 years with the bank. MR. STAPLES is an alumnus of The Graduate School of Banking and

### MUTUAL INVESTMENT FUNDS

*Investors* **MUTUAL**  
*Investors* **STOCK FUND**  
*Investors* **SELECTIVE FUND**

### FACE-AMOUNT CERTIFICATE COMPANY

*Investors* **SYNDICATE OF AMERICA**

☆

Prospectuses of these companies available at offices in 148 principal cities of the United States or from the national distributor and investment manager.

*Investors* **DIVERSIFIED SERVICES, INC.**

MINNEAPOLIS 2, MINN.

(Established in 1894 as Investors Syndicate)

Harry C. Carr, left, chairman of The First National Bank of Philadelphia, and William B. Walker, president, examine cut-away scale model of drive-in bank, part of reconstruction of its downtown office. More than 25,000 people saw this display during the first two weeks it was on display in the bank lobby



## ....."FREE" Business.....

Consumer Credit Business, secured without loan acquisition costs, such as Renewals, Repeats and through Recommendations, is wholly dependent upon good customer relations.

Because of this fact our great Banking and Financing Companies have found that it pays in customers good will, as well as dollars, to use Allison's Coupon Books on Time Payment Accounts. Here's why:

- The speed they provide in serving customers.
- Convenience for customers when forwarding mail payments.
- Their effectiveness in advertising to customers.

If you are seeking a means of reducing your costs of loan acquisition through the medium of "Free" Business, don't overlook learning how this proven method will help concentrate your customer's business in your bank. Write today for full information and an assortment of samples. No cost. No obligation.

**ALLISON COUPON COMPANY, INC.**  
INDIANAPOLIS 6, INDIANA

**SAVE TIME - CUT COSTS**

in  
handling your  
**Christmas  
Club  
Accounts**



RAND McNALLY POCKET FILING SHEETS and binder contain all the necessary ledger information for 1000 accounts. Patents Pending.

## **RAND McNALLY'S NEW RECORD KEEPING SYSTEM**

Rand McNally has developed a new combination filing and posting system that substantially reduces expenses in the handling of Christmas Club accounts. Tested and proved in a large Chicago bank, it effects tremendous savings in record keeping time.

This POCKET FILING SHEET system eliminates all need for maintaining ledger cards or ledger sheets. The use of the COUPON itself, which carries all the necessary ledger information, including date of payment, account number, payment number and accumulated balance, serves as a perfect posting record when filed in The POCKET FILING SHEET BINDER.

Sorting of the coupons is reduced 90%! Coupons need only be sorted by color for each class, then by 100s. Thereafter it is a very simple and speedy operation to insert the coupons of each 100-group into the correct pockets since all are in view and easy to reach at one time.

Thus the time-consuming numerical sequence sorting is eliminated. This new system will save time and money for your bank — write for further details on the Pocket Filing Sheet System and on Rand McNally's full line of Christmas Club Supplies.

**RAND McNALLY & COMPANY**

CHRISTMAS CLUB DIVISION

111 EIGHTH AVENUE, NEW YORK 11

P. O. BOX 7600, CHICAGO 80

is a former instructor for the American Institute of Banking.

CLIFTON E. MORRIS has been elected executive vice-president of the newly organized Peoples Bank and Trust Company, Wilmington, Delaware. He was formerly with Girard Trust Corn Exchange Bank, Philadelphia.

For his service as vice-president and more recently as president of The Children's Home Society of New Jersey, CHARLES J. WEISER, JR., vice-president of the Broad Street National Bank, Trenton, was honored with a newspaper cartoon feature depicting his career.

A public management audit of the FRANKLIN NATIONAL BANK of Franklin Square, New York, was published by *The Corporate Director* (The American Institute of Management) in a recent issue. The National City Bank of New York was chosen for a management audit in an earlier issue.

W. W. OVERTON, JR., chairman of the board of the Texas Bank & Trust Company, was elected recently to the National Industrial Conference Board.

FARMERS NATIONAL BANK OF SALEM, Ohio, held open house on completion of its new addition which offers the first drive-in facilities in the city and gives the bank added bookkeeping space. The bank was open for inspection one day from 9 A. M. to 9 P. M. when approximately (CONTINUED ON PAGE 117)

"I don't see why we have to have a joint account anyway. You deposit it, then I have to take it out. Why don't you just give me the money and save the service charge?"





At your service—at the nation's trade center

# The First National Bank of Chicago



## Statement of Condition December 31, 1952

ASSETS		
Cash and Due from Banks		\$ 741,776,707.93
United States Government Obligations		707,652,756.58
Other Bonds and Securities		135,504,238.78
Loans and Discounts		1,224,074,253.57
Real Estate (Bank Buildings and Adjacent Property)		2,075,138.78
Federal Reserve Bank Stock		5,400,000.00
Customers' Liability Account of Acceptances		3,281,635.40
Interest Earned, not Collected		6,346,597.39
Other Assets		2,509,304.55
		<u>\$2,828,620,632.98</u>
LIABILITIES		
Capital Stock		90,000,000.00
Surplus		90,000,000.00
Other Undivided Profits		6,029,631.72
Discount Collected, but not Earned		2,118,133.31
Dividends Declared, but Unpaid		1,800,000.00
Reserve for Taxes, etc.		27,953,509.33
Liability Account of Acceptances		3,410,797.61
Time Deposits	\$ 493,113,158.79	
Demand Deposits	1,931,289,217.24	
Deposits of Public Funds	182,900,375.04	2,607,302,751.07
Liabilities other than those above stated		5,809.94
		<u>\$2,828,620,632.98</u>

United States Government obligations carried at \$247,211,443.48 are pledged to secure United States Government and other public deposits, trust deposits, and for other purposes as required or permitted by law.

### Board of Directors

EDWARD E. BROWN  
Chairman of the Board

J. D. FARRINGTON  
President, Chicago,  
Rock Island and Pacific  
Railroad Company

JAMES B. FORGAN  
Vice-Chairman of the  
Board

WALTER M. HEYMANN  
Vice-President

HENRY P. ISHAM  
President, Clearing In-  
dustrial District, Inc.

JAMES S. KNOWLSON  
Chairman of the Board  
and President,  
Stewart-Warner Corp.

HOMER J. LIVINGSTON  
President

HUGHSTON M. MCBAIN  
Chairman of the Board,  
Marshall Field &  
Company

BENTLEY G. MCCLOUD  
Banker

HARRY C. MURPHY  
President, Chicago,  
Burlington & Quincy  
Railroad Company

JAMES F. OATES, JR.  
Chairman,  
The Peoples Gas Light  
and Coke Co.

GILBERT H. SCRIBNER  
Winston & Company

R. DOUGLAS STUART  
Vice-Chairman,  
Quaker Oats Company

LOUIS WARE  
President,  
International Minerals  
& Chemical Corp.

ALBERT H. WETTEN  
President,  
A. H. Wettin & Co.

HARRY A. WHEELER  
Banker

C. J. WHIPPLE  
Chairman of the Board,  
Hibbard, Spencer,  
Bartlett & Co.

JOHN P. WILSON  
Wilson & Mellvaine

ROBERT E. WILSON  
Chairman of the Board,  
Standard Oil Company  
(Indiana)

ROBERT E. WOOD  
Chairman of the Board,  
Sears, Roebuck and Co.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Add prestige to your bank name. When you sell First National Bank of Chicago Travelers Checks, your bank name is printed on each check, without charge. This adds prestige and gives you publicity world-wide. You also keep the entire sales commission. It's good business to handle First National Bank of Chicago Travelers Checks. Call, or write us.

**JANUARY-JUNE TELEVISION SALES**

MONTH	SALES
JANUARY	10
FEBRUARY	12
MARCH	15
APRIL	18
MAY	22
JUNE	28

*The letterhead paper you'll find in offices where decisions count!*

## COCKLESTONE BOND

In the offices of men who have helped create the world's highest standard of living you will find Cockletone Bond. These executives realize the importance of selecting the correct letterhead to represent them. They find in this sparkling white paper all the qualities they look for in a letterhead—firm, "heavy" feel, crisp crackle and exceptional erasability. And, the cost of Cockletone Bond is surprisingly low. Why not investigate the advantages of appointing this quietly impressive letterhead paper as your business representative?

You can obtain business printing on Hammermill papers wherever you see this shield on a printer's window. Let the Guild sign be your guide to printing satisfaction.

**SEND THIS COUPON** for the FREE Cockletone Bond Portfolio. It contains a wide assortment of good, modern letterhead designs. You'll find it helpful in improving or redesigning your present letterheads. We will also include a sample book of Cockletone Bond.

Hammermill Paper Company, 1501 East Lake Road, Erie 6, Pennsylvania.

Name \_\_\_\_\_  
 Position \_\_\_\_\_ (Please write on, or attach to, your business letterhead.)

8-FEB.

LOOK FOR THE *Cockletone* WATER MARK

## MAIN STREET (Continued)

mately 8,000 people toured the new quarters and carried away a variety of souvenirs.

EQUITABLE TRUST COMPANY has opened a new branch office in Wilmington, Delaware, which features three drive-in windows with traffic controlled by a signal system. The new building takes the place of an older branch in the same vicinity.

Employees and officers of Union Trust Company, St. Petersburg, Florida, on the occasion of their annual Christmas party, presented to President J. E. BRYAN an oil portrait of himself. The occasion marked the 22nd year of Mr. BRYAN's affiliation with the bank. He was 1951-52 president of the Florida Bankers Association and is a director of the Jacksonville Branch, Federal Reserve Bank of Atlanta.

The North Jersey National Bank of Pompton Lakes is now the Pompton Lakes Office of the 1ST NATIONAL BANK AND TRUST COMPANY OF PATTERSON, New Jersey. The same personnel continues at the office. The system now has 11 offices in Paterson, Clifton, and Pompton Lakes with total resources of about \$210,000,000.

EMMETT L. SLATER, an employee of the Society for Savings, Cleveland, Ohio, since 1904, has retired. He was the senior active employee in length of service. The bank presented him with a check for \$1,000, and he received a gift from fellow employees.

The CENTRAL VALLEY BANK OF CALIFORNIA, with administration headquarters in Richmond, has opened its 11th office at Newark in Alameda County.

MONTAGUE T. SMITH and JOHN W. LARSEN are now vice-presidents of Bowery Savings Bank, New York.

G. EDWARD COOPER and HAROLD W. WALLGREN are now vice-presidents of the Philadelphia National Bank.

CLARENCE S. POTVIN, cashier of the Tupper Lake (New York) National Bank, was honored recently by fellow officers and staff members on completion of 40 years with the

bank. He has been cashier since 1926, and his 40 years of service is a record for the institution, which was founded in 1906.

ROBERT M. GAY, executive vice-president of the Union City (Pennsylvania) National Bank has resigned to join the staff of a security and investment firm. He had been a banker for 30 years.

SYDNEY L. HAMMER has been named a vice-president of Manufacturers Trust Company, New York, and succeeds the late JOSEPH RUBA-



Sydney L. Hammer Leonard R. Kimsey



NOW as officer in charge of the West 43rd Street office.

LEONARD R. KIMSEY, formerly with the *Times Herald*, Dallas, Texas, has joined the public relations staff of

## The FIFTH THIRD UNION TRUST CO.

CINCINNATI, OHIO

Statement as of December 31, 1952

### RESOURCES

Cash and Due from Banks.....	\$ 81,852,170.55
United States Bonds.....	107,103,656.93
State and Municipal Bonds.....	9,038,280.67
Other Bonds and Securities.....	4,585,228.79
*Loans and Discounts.....	95,141,581.12
Banking Premises Occupied.....	3,839,750.11
Customers' Liability Under Acceptances.....	16,830.00
Income Accrued Receivable and Prepaid Expense.....	720,337.95
Other Resources.....	124,589.48
<b>TOTAL.....</b>	<b>\$302,422,425.60</b>

### LIABILITIES

Capital Stock (320,000 Shares).....	\$ 8,000,000.00
Surplus .....	10,500,000.00
Undivided Profits .....	3,066,719.75
<b>TOTAL CAPITAL FUNDS.....</b>	<b>\$ 21,566,719.75</b>
Reserve for Dividends, Interest, Taxes, etc. ....	2,946,320.64
Liability Under Acceptances.....	16,830.00
<b>DEPOSITS:</b>	
**Commercial, Bank and Savings.....	269,918,518.57
U. S. Government.....	7,936,468.99
Other Liabilities.....	37,567.65
<b>TOTAL.....</b>	<b>\$302,422,425.60</b>

\*In addition to the Loans and Discounts as shown we had unused Loan Commitments outstanding of \$4,348,490.25.

\*\*Includes \$3,450,785.50 of Trust Money on deposit in the Banking Department, which under the provisions of the Banking Law, Section 710-165 of the State of Ohio, is a Preferred Claim against the Assets of the Bank.

### DIRECTORS

WALTER C. BECKJORD President, The Cincinnati Gas and Electric Co.	WILLIAM H. MOONEY President, The Formica Company
STERLING B. CRAMER First Vice President	DANIEL J. O'CONOR President, The National Marking Machine Co.
POWELL CROSLLEY, JR. President, The Cincinnati Baseball Club Co.	GEORGE A. RENTSCHLER Chairman of Board, Baldwin-Lima-Hamilton Corp.
JOHN J. EMERY President, Emery Industries, Inc.	JOHN J. ROWE President
JAMES MCB. GARVEY President, The American Laundry Machinery Co.	CARL J. SCHMIDLAPP Vice Chairman Executive Committee, The Chase National Bank of the City of New York
JOSEPH S. GRAYDON Graydon, Head and Ritchey, Attorneys	HAROLD T. SIMPSON President, Printing Machinery Corp.
E. WEBSTER HARRISON Partner, Harrison & Co.	LEONARD S. SMITH, JR. President, The National Marking Machine Co.
JOHN B. HOLLISTER Taft, Stettinius & Hollister, Attorneys	ETHAN B. STANLEY Ch. of Board, The Amer. Laundry Machinery Co.
LOUIS L. KAUFMAN Sec. and Treas., Wm. J. Herbert Realty Co.	WILLIAM A. STARK Vice President and Trust Officer
RICHARD E. LEHLOND President, The R. K. LeBlond Machine Tool Co.	CLIFFORD R. WRIGHT President, The Cincinnati Equitable Insurance Co.
WILLIAM L. McGRATH President, The Williamson Heater Co.	

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION—MEMBER FEDERAL RESERVE SYSTEM



# SEATTLE - FIRST NATIONAL BANK

## Statement of Condition

At Close of Business December 31, 1952

### RESOURCES

Cash and Due from Banks . . . . .	\$191,148,113.41	
United States Government Securities . . . . .	184,817,861.13	
Obligations of Federal Agencies . . . . .	11,017,627.54	
State and Municipal Securities . . . . .	67,910,767.26	
Other Bonds and Securities . . . . .	5,156,481.65	\$460,050,850.99
Loans and Discounts . . . . .	289,141,255.73	
Federal Reserve Bank Stock . . . . .	900,000.00	
Bank Buildings, Vaults, Furniture & Fixtures, etc. . . . .	7,660,496.86	
Interest Earned Not Received . . . . .	1,868,642.16	
Customers' Liability under Letters of Credit and Acceptances . . . . .	2,726,165.15	
<b>TOTAL . . . . .</b>		<b>\$762,347,410.89</b>

### LIABILITIES

Capital Stock . . . . .	\$14,000,000.00	
Surplus . . . . .	16,000,000.00	
Undivided Profits . . . . .	10,760,090.24	
Reserves for Contingencies . . . . .	5,954,477.99	\$ 46,714,568.23
Reserves for Interest, Taxes, etc. . . . .		2,930,804.85
Discount Collected Not Earned . . . . .		3,361,707.55
Letters of Credit and Acceptances . . . . .		2,726,165.15
Deposits . . . . .		706,614,165.11
<b>TOTAL . . . . .</b>		<b>\$762,347,410.89</b>

### BOARD OF DIRECTORS

LAWRENCE M. ARNOLD  
*Chairman*

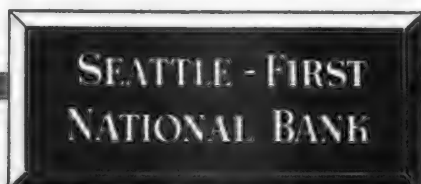
ALBERT R. MUNGER  
*President*

J. H. BALLINGER  
HENRY BRODERICK  
F. H. BROWNELL, JR.  
CHARLES F. CLISE  
EARL D. DORAN  
JOEL E. FERRIS  
O. D. FISHER

L. C. HENRY  
CHARLES H. INGRAM  
W. M. JENKINS  
ERIC A. JOHNSTON  
RICHARD E. LANG  
CLARENCE D. MARTIN  
RUSSELL MILLER  
B. A. PERHAM

W. G. REED  
VOLNEY RICHMOND, JR.  
WILBUR W. SCRUBY  
ALFRED SHEMANSKI  
ELBRIDGE H. STUART  
J. A. SWALWELL  
GEORGE VAN WATERS  
KATHERYN WILSON

52 Offices Serving the State of Washington



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Republic National Bank of Dallas, headed by Vice-president GEORGE J. WATTS.

ROBERT P. HOWE and WILLIAM G. STOTT were recently advanced to vice-presidencies at J. P. Morgan & Company.

ARTHUR A. HAESSIG, former assistant national bank examiner, has joined the correspondent bank department of the American National Bank of St. Paul as a special representative calling on banks in the Northwest.

FIRST NATIONAL BANK OF ARIZONA, is having a survey made of the demand for rental space before determining the final form and size of its new head office building in Phoenix.

THE TEIKOKU BANK, LTD., Tokyo (formerly the Mitsui Bank, Ltd.), is opening a branch office in Bangkok, Thailand. This is the first Japanese bank to receive permission to reopen operations in Southeast Asia.

THE LIBERTY BANK OF HONOLULU is now in fine new quarters but won't hold its open house until the entire building is completed, probably late in February.

L. MORLEY ALEXANDER, vice-president of The Purse Company, Chattanooga, Tennessee, is now in charge of the company's office in Birmingham, Alabama, and will represent the company nationally in advertising accounts.

"... an' when Edwin asks permission to marry me, don't ask him if he can support me ... that hasn't entered his mind"







# THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

STATEMENT OF CONDITION, DECEMBER 31, 1952

## RESOURCES

Cash and Due from Banks . . . . .	\$1,553,000,687.62
U. S. Government Obligations, direct and fully guaranteed . . . . .	1,053,413,575.33
State and Municipal Securities . . . . .	301,623,141.57
Other Securities . . . . .	187,053,206.32
Mortgages . . . . .	46,618,053.79
Loans . . . . .	2,511,937,851.56
Accrued Interest Receivable . . . . .	12,280,967.45
Customers' Acceptance Liability . . . . .	37,823,487.79
Banking Houses . . . . .	32,189,678.46
Other Assets . . . . .	6,820,094.84
	<u>\$5,742,760,744.73</u>

## LIABILITIES

Deposits . . . . .	\$5,247,000,031.75
Foreign Funds Borrowed . . . . .	25,348,587.91
Reserves—Taxes and Expenses. . . . .	30,411,920.80
Other Liabilities . . . . .	26,705,873.98
Acceptances Outstanding . . . . .	42,451,053.54
Less: In Portfolio . . . . .	4,263,385.29
Capital Funds:	
Capital Stock. . . . .	\$111,000,000.00
(7,400,000 Shares—\$15 Par)	
Surplus . . . . .	219,000,000.00
Undivided Profits . . . . .	<u>45,106,662.04</u>
	375,106,662.04
	<u>\$5,742,760,744.73</u>

United States Government and other securities carried at \$428,472,639.00 were pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation



*World's leading underwriter  
of Dishonesty Insurance*

## *Fidelity and Deposit*

COMPANY OF MARYLAND

FOUNDED 1890

SPECIALISTS IN THE WRITING OF  
FIDELITY AND SURETY BONDS,  
BURGLARY, ROBBERY, FORGERY  
AND GLASS INSURANCE

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

### THE CASE FOR PRINTED NAMES

As pointed out in last month's advertisement, it is a major step when banks decide to provide all customers with checks bearing printed names. Two added cost factors are involved. First would be the increased check cost. Second would be the added labor cost occasioned by the preparation and control of a larger number of individual orders, as contrasted to the over-the-counter distribution of blank checks now followed.

Weighed against these factors would be (1) faster and more accurate sorting of checks, (2) less spoilage and waste because people do not handle imprinted checks carelessly, (3) better control with respect to check distribution, thus minimizing the "no account" hazard, and (4) a more appreciative acceptance on the part of the customers. As a rule, all orders would be mailed direct to the customers by the printer in order to speed up delivery and eliminate the need for the customers to call personally at the bank. This direct handling would call for a simple, streamlined method of control

in the bank to enable bank people to follow the shipment and receipt of orders.

Generally speaking, imprinted checks which are provided without cost to the customers should be somewhat less in value than the fully personalized and numbered checks which are sold to the customers. As a part of its cost study, the bank should consider the cost recovery on the checks which are sold when computing the net additional cost of the checks provided free. Those which are sold would bear the name and address of the individual and would be consecutively numbered, while those which are provided free would normally simply carry the name of the customer and possibly a sorting symbol.

Setting up a complete imprint program in a bank is not an easy task, but if it is tackled purposefully it can be completed within a few months. We can be of some considerable help during the formative period and we are prepared to work with any bank in ironing out the details.



Manufacturing Plants at:

CLIFTON, PAOLI, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL

### The Year Ahead

(CONTINUED FROM PAGE 18)

be sure that if we as a nation refuse to let passing problems turn us from our well-founded faith in the inherent soundness and vitality of our free economy, we can surmount such obstacles and move forward into new periods of prosperity more firmly based than any we have known in recent years.

For a long time it seemed that the people of the United States had lost that faith. The outcome of the 1952 election has provided a most encouraging indication that they have not. The election was not only the most important economic event of the year but also may well prove to have been a major turning-point in our national history.

General Eisenhower's sweeping victory was to some extent a vote of personal esteem for a great American. More than that, it was a vote of allegiance to the truly liberal principles upon which this nation was founded and which have enabled free men to build the most dynamic and productive economy ever created anywhere. It was a repudiation of the false liberalism that led to an entrenched bureaucracy and to the waste, extravagance, inefficiency, and corruption that are the natural features of such a system. It was a reassertion of the principle that the Government of a free nation should represent all the people, not champion the special interests of favored groups or sections at the expense of others. It was a vote for sound money, equal rights, and the economic incentives without which a free society cannot function at its best. This overwhelming decision by the American people has brought new hope for the ability of our country to rise to new heights of material well-being while preserving its heritage of freedom.

#### CONSUMER CREDIT

William L. Day, president, The Pennsylvania Company for Banking and Trusts, Philadelphia:

WITH comparatively few exceptions business inventories seem to be in reasonable balance and there is presently no sign of speculative commitments such as marked the

(CONTINUED ON PAGE 122)



The original copies of the Declaration of Independence, the Constitution and the Bill of Rights now have their special shrine in the National Archives Building in Washington, D. C. At night, they descend into the protective custody of a new, specially engineered 50-ton Mosler Safe.

## More precious than the gold in Fort Knox

Certainly, what they stand for is.

For these treasured documents—the Declaration of Independence, the Constitution and the Bill of Rights—are the birth certificates not only of a nation, but of a way of life. *Our* way of life—that many of our forefathers and our sons have laid down their lives to defend.

So it's not surprising, is it, that these sacred documents occupy a special shrine in the National Archives Building in Washington, D. C.

Nor is it surprising that Mosler, who was chosen to build the gold storage vaults at Fort Knox, should have been given the special assignment of providing the utmost security for these irreplaceable documents.

When government and private enterprise, big business and small business, industry and science, educational and public welfare organizations desire protection of their records and treasures, they turn, almost instinctively, to Mosler. That has been true for over 100 years.

Mosler has made many installations, of course, vastly larger than the ingenious and complex 50-ton safe into which the Declaration of Independence, Constitution and Bill of Rights descend, at night, for security against almost every conceivable hazard.

But none has been built with a more sober sense of responsibility or a higher respect for the pricelessness of security. Certainly, Mosler has never before built anything—with more pride. Or humility.

IF IT'S MOSLER . . . IT'S SAFE

*The* **Mosler Safe** *Company*  
Since 1848

World's largest builders of safes and bank vaults, including the U. S. Gold Storage Vaults at Fort Knox, and installations in the U. S. Capitol, U. S. Treasury, the Pentagon Building, U. S. State Department, and the United Nations Building.

(CONTINUED FROM PAGE 120)  
period following our Korean involvement. . . .

The rather rapid growth of consumer credit across the country has been occasioned, first, by the removal of credit restrictions under Regulation W and, second, by a steady growth of consumer spendable income. Consumer instalment debt is high in gross figures but, when related to disposable income, is still considerably lower than in prewar years. Obviously, any period of substantial unemployment would be accompanied by an in-

crease of delinquencies and repossession, but if past experience be a criterion, the ratio of losses to loans would not prove serious.

#### SELF-DISCIPLINE

Wm. Gage Brady, Jr., retired chairman, The National City Bank of New York; Howard C. Sheperd, chairman; W. Randolph Burgess, retired chairman, executive committee; James S. Rockefeller, president:

THE year before us is likely to test the capacity for self-discipline of the people and the business organ-

izations of this country. The threat of all-out war appears to be less ominous and pressing. There are fewer economic controls. The Federal Reserve System is leaving the money market and Government security market free to reflect the forces of supply and demand. Full employment carries with it the need for enlightened and constructive leadership on the part of all. The Administration coming into power is more inclined to trust in the enterprise of the people to create employment, maintain a prosperous economy, and raise the standard of living.

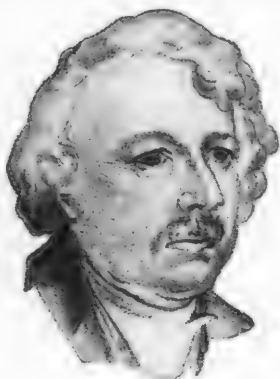
#### REASONS FOR CONFIDENCE

Florida National Group of Banks:

WE are looking forward to the new year with confidence because it has just recently been demonstrated that we are still a great democracy. Indications are clear that our leaders in high places will be men of integrity. Sound business judgment in government should foster economy and just consideration for all. Free enterprise should again be allowed to demonstrate how it, many years ago, helped in building the foundation of our great American way of life.

And don't forget: Money in the bank is security unspent.

"A personal call? Now listen, Mr. Armstrong, I'm talking to a young man who happens to be a good customer of this bank's savings department!"



LOUIS DAGUERRE  
1789-1851

PHOTOGRAPHY is a comparatively new art, but scientists have been quick to develop it highly. It is only within the last 125 years that pictorial records have become a reality. To the Frenchman, Louis Daguerre, goes the credit for making the first permanent picture; it was the Englishman, William Talbot, who developed the use of sensitized photographic paper; Mathew Brady won fame as the Civil War news photographer; and George Eastman invented the roll film to which is attributed the simplicity of today's camera.

#### NEW HAMPSHIRE FIRE INSURANCE COMPANY

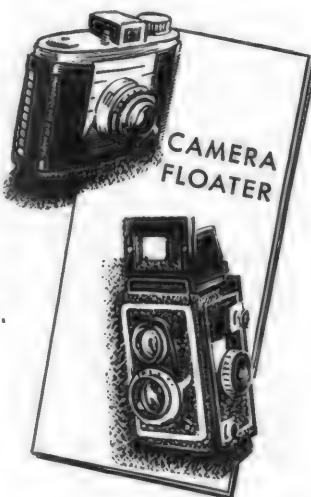


Incorporated 1869  
MANCHESTER,  
NEW HAMPSHIRE

#### GRANITE STATE FIRE INSURANCE COMPANY



Incorporated 1885  
MANCHESTER,  
NEW HAMPSHIRE



Today there are few families where there isn't at least one "camera fiend" whose pride in his camera and equipment makes him a logical subject for a camera floater.

*Agents, whether your prospects take pictures as a hobby or as a profession, their investments are frequently substantial. Check your local photographic equipment shop and camera club for leads.*



## News for Country Bankers

(CONTINUED FROM PAGE 74)

cultural credit policy. The memorandum told, in the bankers' own words, what banks were thinking and doing about their credit and loan problems.

Another year-end service to members by the Wisconsin association was a handy directory of officers, committees, key bankers, group officials, and A.B.A. representatives. Also included in the directory is a list of Wisconsin banks, articles and by-laws, group constitution and by-laws, county constitution and by-laws, etc.

### Rancher-Banker Cooperation

CLOSER cooperation of ranch managers with bankers was urged by Herbert A. Pollard, agricultural representative of the Klamath Falls branch of the First National Bank of Portland, Oregon, while speaking recently at a meeting in Ellensburg, Washington, of the Pacific Northwest section of the American Society of Ranch Management.

"Since ranch management is basic," said Mr. Pollard, "I feel that closer working relations with the bankers could well be included in your individual and group programs.

"So much of the financing of conservation and rehabilitation practices is handled through banks . . . that a little more time and effort spent in keeping country bankers informed as to the necessity for and advantages of such financing might provide sufficient impetus through sound and adequate financing to

### Agricultural Conference Proceedings

THE proceedings of the National Agricultural Credit Conference in Louisville, Kentucky, in November, have been mimeographed and a copy sent to each of the farm representatives attending. Others may obtain copies of the proceedings by writing to the Agricultural Commission, American Bankers Association, 12 E. 36th Street, New York 16, New York.



## St. Louis Terminal's BOND COVERAGE ... ADDS TO YOUR FIELD WAREHOUSING PROTECTION!

You get the best possible coverage from the comprehensive fidelity bond and warehouseman's legal liability policy carried by St. Louis Terminal Warehouse Company.

The confidence made possible by this complete coverage will help you:

- Increase the amount of customer's loan safely.
- Create new loans secured by bonded warehouse receipts.
- Convert open-line customers to secured loans.

YOU can examine our fidelity bond and warehouseman's legal liability policy. Write today for your copy.

## ST. LOUIS TERMINAL WAREHOUSE CO.

More Than a Quarter Century of Warehousing Service

Executive Offices: ST. LOUIS 2, MO., 826 Clark Ave.



CHICAGO 3, ILL.  
First Nat'l Bank Bldg.  
CINCINNATI 2, OHIO  
Carew Tower  
NEW YORK, N.Y.  
37 Wall Street

DALLAS 1, TEXAS  
Construction Bldg.  
LUBBOCK, TEXAS  
Lubbock Nat'l Bank Bldg.  
KANSAS CITY 6, MO.  
Waldheim Bldg.  
ATLANTA, GA.  
Healey Bldg.

MEMPHIS 3, TENN.  
Sterick Building  
HOUSTON 2, TEXAS  
West Building  
PHILADELPHIA, PA.  
123 So. Broad St.



## Green fingers

No one grows roses like old Charlie. He knows his soil and plants, and experience tells him how to get the best from them.

We help to make things grow, too — industries, homes, businesses. Our soil is Australia, New Zealand, Fiji, Papua and New Guinea. For our fingers, we have over 850 branches and agencies throughout these lands. And our experience dates from the first banking business in the South-West Pacific.

If experience and local knowledge can help your customers' ventures to success in this area, we invite you to make our specialist services available to them.

## BANK OF NEW SOUTH WALES

FIRST AND LARGEST COMMERCIAL BANK IN THE SOUTH-WEST PACIFIC

British & Foreign Department, Sydney, Australia—R. J. Neal Blackwell, Manager

### WHICH PAPER FOR YOUR LETTERHEAD?

Quality that stands out at a cost you hardly notice . . . a paper that looks like a million, performs like a champion, yet costs no more (perhaps less) than your present letterhead. If that's what you want, ask your printer to use WESTON BOND. Made by Byron Weston Company, Dalton, Mass. Write for sample book. Address Dept. BA.



ASK YOUR PRINTER TO USE

# WESTON BOND

Made by WESTON...Makers of Papers for Business Records...Since 1863

hasten your various programs considerably."

Mr. Pollard's address was printed in full in the December 18 issue of *The Oregon Farmer*, Portland.

### Georgia Soil Awards

THE Georgia Association of Soil Conservation District Supervisors recently recognized seven Georgia banks for their contributions to the state's soil-saving and building program during the past year.

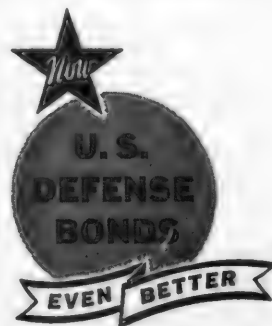
Certificates of award were presented to Dallas F. Wurst of Donaldsonville's Commercial State Bank; H. C. Hewell of Fayetteville's Farmers and Merchants Bank; W. Grady Williamson for the Citizens Bank of Vienna; Henry S. Cohen for the Moultrie National Bank; A. M. Best for Citizens Banking Company of Hartwell; John A. Mills for Sylvania's Bank of Screven County; and A. E. Hays for the Bank of Mansfield.

W. Grady Williamson, chairman, Agricultural Committee, Georgia Bankers Association, presented \$200 in prizes to winners in the soil conservation district speaking contest.

### A.B.A. Makes Timber Credit Study

THE Agricultural Commission of the American Bankers Association is making a survey among state foresters and extension foresters in all of the states and has asked state bankers' associations whether or not there is an actual demand for credit on the part of farmers and landowners for use in the development of small timber tracts. The American Bankers Association recognizes that trees are one of the few renewable natural resources and that the forests of the nation are basic to its economy, A. G. Brown, deputy manager and director of the A. B. A.'s

(CONTINUED ON PAGE 126)



# THE NORTHERN TRUST COMPANY

## CHICAGO

As your Chicago correspondent we are prepared to share with you all our banking, trust, bond and operational facilities. You are invited to make the fullest use of our services and experience, not only for your own bank, but for your customers as well.

### STATEMENT OF CONDITION

December 31, 1952

#### RESOURCES

Loans and Discounts . . . . .	\$166,864,375.88
U. S. Government Securities . . . . .	278,839,832.51
Other Bonds and Securities . . . . .	122,078,232.56
Federal Reserve Bank Stock . . . . .	600,000.00
Bank Premises . . . . .	1,400,000.00
Customers' Liability, Account Letters of Credit and Acceptances . . . . .	783,691.15
Other Resources . . . . .	150,260.00
Cash and Due from Banks . . . . .	176,390,645.79
<b>TOTAL . . . . .</b>	<b>\$747,107,037.89</b>

#### LIABILITIES

Capital Stock . . . . .	\$ 6,000,000.00
Surplus . . . . .	14,000,000.00
Undivided Profits . . . . .	5,060,584.36
Reserve for Taxes, Interest, etc. . . . .	14,166,632.42
Dividend Payable January 2, 1953 . . . . .	180,000.00
Letters of Credit and Acceptances Outstanding . . . . .	879,420.15
Other Liabilities . . . . .	650,652.73
Deposits:	
Demand . . . . .	\$492,486,480.31
Time . . . . .	181,841,583.80
U. S. Gov't . . . . .	31,841,684.12
<b>TOTAL . . . . .</b>	<b>\$747,107,037.89</b>

United States Government securities carried in the above statement at \$35,000,000.00 are pledged to secure public and other monies, as required by law; and United States Government and other securities carried at \$525,255.35 are deposited with the State Authorities under the Trust Act.



#### DIRECTORS

A. WATSON ARMOUR  
Director, Armour & Company

SEWELL L. AVERY  
Chairman,  
Montgomery Ward & Co., Inc.

ALBERT B. DICK, JR.  
Chairman, A. B. Dick Company

WILLIAM R. ODELL, JR.  
Vice President and Treasurer,  
International Harvester Company

EDWARD L. RYERSON  
Chairman, Inland Steel Company  
Chairman,  
Joseph T. Ryerson & Son, Inc.

EDWARD BYRON SMITH  
Executive Vice President,  
The Northern Trust Company

SOLOMON BYRON SMITH  
Executive Vice President,  
The Northern Trust Company

JOHN STUART  
Chairman,  
The Quaker Oats Company

MERLE J. TREES  
Chairman,  
Chicago Bridge & Iron Company

SOLOMON A. SMITH  
President,  
The Northern Trust Company

Member Federal Deposit  
Insurance Corporation

Tune in The Northerners every Tuesday, 8:30 P. M. over Station WGN, Chicago (720 Kilocycles)

## News for Country Bankers

(CONTINUED FROM PAGE 124)

Agricultural Commission, said in a letter to the state foresters and state bankers' associations.

"Many bankers are well aware of the important place that credit holds in the development of timber tracts and farm woodlands. However, a regulation of the Office of the Comptroller of the Currency prohibits na-

tional banks from using timberlands as security for loans on the theory that they are unimproved lands."

Mr. Brown explained that the securing of bank credit on the security of cruised timber ready for cutting is no problem because it is regarded as any other agricultural crop and is readily marketable. However, a different situation exists with regard to land suitable for production of lumber and wood products but which may require long-term credit for development. In some cases, as long as 30 years may be needed be-

fore a forest development loan could be completely amortized and the tract established on a self-sustaining basis. While this problem is particularly acute in states with an established lumber industry where need for bank credit exists to re-establish cut-over lands, there is a growing interest on the part of farmers and bankers in exploring the income-producing possibilities from sound tree farming on woodlots and pastures. An important collateral benefit from such a program is in connection with water conservation and soil conservation. Trees are one of the best known deterrents to erosion.

Answers to the inquiries made by the A. B. A. will be reviewed by the Agricultural Commission for possible action in case there is sufficient demand for credit to be used in the development of small tracts of woodland.

### Survey of Land Outlook

**M**ARKET study in 245 rural communities around the country by the National Association of Real Estate Boards indicates that during the next six months land prices may go higher than they are at present. City dweller "work plots" will continue readily available in most parts of the nation and steady prices will continue for part-time farms are expected in 67 percent of the centers reporting.

Full-time farming faces just about the same market outlook, with about two-thirds of the communities predicting sales for the next six months at approximately current price levels. One in every four said there would be a rise during the period. Farms are expected to be more plentiful.

Prices, rather than volume of sales, reflect the apparent strength of the farm real estate market, according to the association's canvass.

The survey revealed that East South Central states are the centers of the greatest sales activity in part-time farms and that higher prices during the next six months were more frequently forecast in reports from these states. A higher volume of sales is anticipated in the Pacific Coast states.

*When a young man in love asks for advice, he is no longer in love.*



*This independent bank invites accounts from other banks and corporations. Send us your cash and collection items. Refer your friends to us when they come to Los Angeles.*

## STATEMENT OF CONDITION

AS OF DECEMBER 31, 1952

### Resources

Cash on hand and due from Federal Reserve and Other Banks	\$ 69,033,314.48
U. S. Government Securities	70,799,396.91
State and Municipal Bonds	2,043,358.42
Federal Reserve Bank Stock	300,000.00
Loans and Discounts	77,046,446.74
Union Bank Building and Customer Auto Parks	1,611,600.00
Safe Deposit Vaults	1.00
Furniture and Fixtures	1.00
Customers' Liability under Letters of Credit and Acceptances	1,195,224.97
Other Resources	137,822.85
<b>TOTAL</b>	<b>\$222,167,166.37</b>

### Liabilities

Capital	\$ 4,250,000.00
Surplus	5,750,000.00
Undivided Profits	1,335,246.66
Reserved for Contingencies	1,252,521.44
Reserved for Interest, Taxes, Dividends, etc.	1,360,399.87
Liability under Letters of Credit and Acceptances	1,195,224.97
Discount Collected—unearned	742,130.54
Other Liabilities	127,498.43
<b>DEPOSITS: Demand</b>	<b>\$171,214,281.59</b>
Time	23,859,896.31
U. S. Government deposits and other public funds	11,079,966.56
<b>TOTAL</b>	<b>\$222,167,166.37</b>

United States Government obligations carried at \$15,519,019.83 in the foregoing statement are pledged to secure public funds and for other purposes required by law

## UNION BANK & TRUST CO

OF LOS ANGELES (8th & HILL) • THE BUSINESSMAN'S BANK

### OFFICERS

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Warren P. Tenney

Robert E. Getz

W. Edwin Weir

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Al L. Somerindyke

Angus J. MacLennan

Arthur R. Horne

Roland C. Mathias

Frank Dansby

Auditor  
Walter B. Hill

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Don R. Cameron

Assistant Vice-President  
Samuel B. Burnham

Trust Officer  
Fay H. Kerns

Assistant Trust Officers  
Margaret Morris

Alfred T. Hartwell, Jr.

Lewis B. Maier

PERSONAL SERVICE • WE HAVE NO BRANCHES

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## Bank Ads

### That Are Read

Is it possible to write bank advertisements which are read as eagerly as a gossip writer's column and which do a good job of selling the bank's services?

Officers of the Goodhue County National Bank, Red Wing, Minnesota, voice an emphatic "yes!" to this question. Their experiments with a different type of newspaper advertising campaign are paying excellent, if unexpected, dividends.

#### "Good Community"

In brief, the advertisements feature Red Wing business and professional people with interesting backgrounds. An action picture illustrates each ad. These are illustrated with photographs of the people profiled in the advertisements and appear under the heading, "This is a Good Community!"

President Ora G. Jones, Jr., explains that the advertisements were prompted by discontent with ads of a general nature.

"If they were read by anybody," he said, "we seldom heard any comment to that effect. They lacked life and sparkle so we decided to change over to something different. Then, too, we were tired of hearing grumbling remarks about the lack of opportunities in Red Wing. After some discussion, we decided to feature people who had made good in our community."

#### Local Resources

Cashier E. A. Nordly took over the task of selecting personalities and writing copy for the series of advertisements. The first profile, based on research into history books dealing with Red Wing and Goodhue County, centered around the St. James Hotel and its proprietors, Mrs. Clara Lillyblad and her son Arthur.

"We did this despite the fact the Lillyblads do not bank with us," said Mr. Nordly. "We didn't want



**ALL SET!**  
the Todd  
**IMPRINTER**  
with  
permanent  
typeholders

Now faster, more convenient, more economical than ever.

Fast and easy to use—the Todd Imprinter's new permanent typeholders click on and off with the flip of a finger. They cut operating time in half, too.

The operator sets type *once*, when a new account is opened—and the typeholder is filed away alphabetically, ready for immediate use whenever a depositor wants a new checkbook. In actual tests in banks, these typeholders have proved their dependability.

They're inexpensive, but they last and last—for many thousands of neat, sharp impressions.

To get the facts about the Todd Imprinter—and the new permanent typeholders designed especially for it—mail the coupon.



ROCHESTER SALES OFFICES IN  
NEW YORK PRINCIPAL CITIES  
DISTRIBUTORS THROUGHOUT THE WORLD

THE TODD COMPANY, Inc., Dept. B,  
Rochester 3, N. Y.

Please send me complete details about the Todd Imprinter and the new typeholders, designed especially for it.

Name

Address

City  Zone  State

By  B-2-53

# THE FIRST NATIONAL BANK AND TRUST COMPANY OF TULSA

## STATEMENT OF CONDITION

December 31, 1952

### RESOURCES

Cash and Due from Banks .....	\$82,741,755	
U. S. Government Securities .....	75,610,871	\$158,352,626
Other Bonds and Securities .....	20,920,211	
Loans and Discounts .....	76,071,491	
Federal Reserve Bank Stock .....	300,000	
Income Earned, Not Collected .....	601,575	
Bank Premises .....	1	
Parking Lot .....	189,500	
Furniture and Fixtures .....	773,534	
Customers' Liability Under Letters of Credit..	9,176,062	
Other Resources .....	68,075	
		<u>\$266,453,075</u>

### LIABILITIES

Deposits .....	\$241,640,532	
Income Collected, Not Earned .....	698,069	
Taxes, Interest and Expense—Accrued .....	1,169,196	
Letters of Credit Outstanding .....	9,176,062	
Capital .....	\$ 4,000,000	
Surplus .....	6,000,000	
Undivided Profits .....	3,769,216	13,769,216
		<u>\$266,453,075</u>

### OFFICERS

F. L. DUNN, *Chairman of the Board*

R. OTIS MCCLINTOCK, *President*

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*Executive Vice-President*

*Senior Vice-Presidents*

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N. M. HULINGS J. W. McLEAN  
RUSSELL F. HUNT WM. W. MICHAELS  
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J. E. PARKER

S. R. DENTON, *Cashier*

*Assistant Vice-Presidents*

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R. H. GWINNER H. L. PULLEN  
F. S. HUGILL R. A. WAGNER  
GORDON WHITE

*Assistant Cashiers*

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D. P. FLYNN J. D. KIPER  
J. R. FORRESTER C. C. LAWRENCE, JR.  
O. H. GAULT T. R. O'SHEA  
VIRGINIA M. HALL J. D. PALMER  
A. H. HURLEY R. L. PHILLIPS  
J. B. JOHNSON, JR. D. C. RHODES  
M. H. JOHNSON E. E. SENFT

LOUIS WALL, *Auditor*

M. M. LAWELLIN, *Trust Officer*

*Assistant Trust Officers*

G. O. BAYLESS, JR. C. B. NEAL

people to think they had to be our customers in order to be written up in the bank advertisements.

The results of the initial advertisement in the Red Wing newspaper, the daily *Republican Eagle*, astounded the officers.

"It proved to be the most effective piece of advertising we've ever attempted," Mr. Jones said. "It had a wonderful reception. We heard more comments about it than anything we've ever done. It was apparent that people not only saw the advertisement, but enjoyed it."

### Varied Choice

Subsequent advertisements profiled three GIs who took over an electric service firm, a woman who operates an automobile agency, and the German-born operator of a meat market who had returned to Germany for a visit. One of the GIs, Dick Graw, was quoted as saying:

"I came from out of town and had a chance to learn the trade in Red Wing just as my partners did. I knew Red Wing would be a good place to locate and own a business."

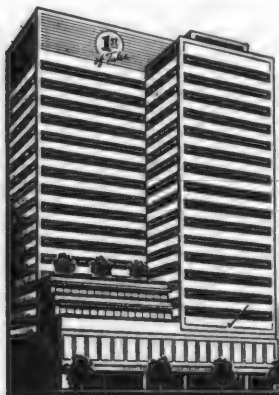
Mr. Jones reports that the advertisements emphasize the good points of Red Wing and the people who have prospered there. It is a city of about 10,000 people located on the banks of the Mississippi River. It has several industries, including a tannery, shoe factory, and a pottery.

"We like for people to see the good in Red Wing rather than its weak points," he said. "In other words, we're emphasizing the positive rather than the negative."

During the winter months, the bank advertisements also profile leading farmers.

HAROLD SEVERSON

Cashier Nordly, center, checks proof of a Red Wing personality ad with President Jones, left, and Andrew Bowe, advertising manager of the Red Wing *Republican Eagle*

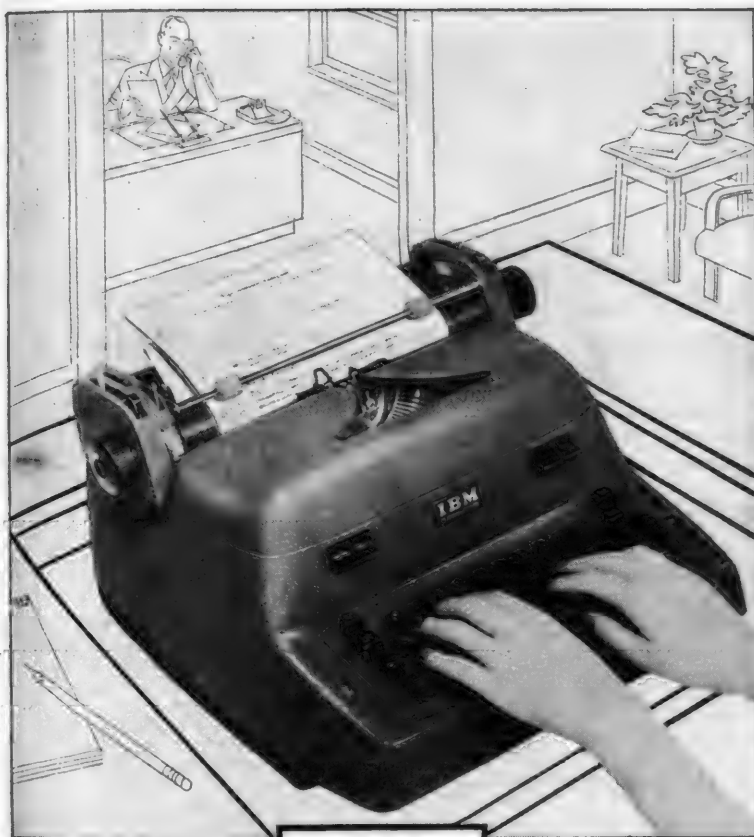


## THE FIRST NATIONAL BANK AND TRUST COMPANY OF TULSA

MEMBER FEDERAL DEPOSIT INSURANCE CORP.

When in Tulsa, You are cordially invited to visit our new building. See the FIRST mural interpretation of the famous Oklahoma Run.

# Do Your Letters Have That EXECUTIVE\* APPEARANCE?



**IBM**  
EXECUTIVE\*

*Electric Typewriters*

INTERNATIONAL BUSINESS MACHINES

\*TRADE MARKS

Making an excellent impression is, of course, part of any executive's job. Helping you do just that with every letter you send out is the particular function of the IBM Electric Executive\* Typewriter.

It's not only the distinctive type faces from which you can choose; it's the spacing of each character in every word and line that gives your letters that "Executive appearance."

Next time you receive a letter typed on an IBM Executive Typewriter, compare it with others in the same mail. Better yet, telephone or write the nearest IBM office today, or mail the coupon below. We'll be glad to show you the difference an IBM Executive can make in helping you make the best impression.

IBM, Dept. BN  
590 Madison Ave., New York 22, N.Y.

- ☐ I'd like to see the  
IBM Electric Executive Typewriter.  
☐ Please send brochure.

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

# NATIONAL BANK OF DETROIT

COMPLETE BANKING AND TRUST SERVICE

STATEMENT OF CONDITION, DECEMBER 31, 1952

## RESOURCES

Cash on Hand and Due from Other Banks . . . . .	\$ 452,048,365.48	
United States Government Securities . . . . .	722,148,022.91	
Other Securities . . . . .	142,427,949.88	
Loans:		
Loans and Discounts . . . . .	\$ 331,674,421.48	
Real Estate Mortgages . . . . .	69,758,980.66	401,433,402.14
Accrued Income and Other Resources . . . . .		5,308,022.13
Branch Buildings and Leasehold Improvements . . . . .		3,885,674.61
Customers' Liability on Acceptances and Letters of Credit . . . . .		2,360,536.43
		<u>\$1,729,611,973.58</u>

## LIABILITIES

Deposits:		
Commercial, Bank and Savings . . . . .	\$1,471,418,451.95	
United States Government . . . . .	121,168,983.59	
Other Public Funds . . . . .	46,326,204.81	\$1,638,913,640.35
Accrued Expenses and Other Liabilities . . . . .		12,851,326.21
Dividend Payable February 2, 1953 . . . . .		783,000.00
Acceptances and Letters of Credit . . . . .		2,360,536.43
Capital Funds:		
Common Stock (\$10.00 Par Value) . . . . .	\$ 15,660,000.00	
Surplus . . . . .	45,000,000.00	
Undivided Profits . . . . .	14,043,470.59	74,703,470.59
		<u>\$1,729,611,973.58</u>

*United States Government Securities carried at \$170,111,841.87 in the foregoing statement are pledged to secure public deposits, including deposits of \$16,761,339.29 of the Treasurer-State of Michigan, and for other purposes required by law.*

## BOARD OF DIRECTORS

HENRY E. BODMAN  
ROBERT J. BOWMAN  
PRENTISS M. BROWN  
CHARLES T. FISHER  
CHARLES T. FISHER, JR.  
JOHN B. FORD, JR.

B. E. HUTCHINSON  
BEN R. MARSH  
WALTER S. McLUCAS  
W. DEAN ROBINSON  
NATE S. SHAPERO  
R. PERRY SHORTS

GEORGE A. STAPLES  
DONALD F. VALLEY  
JAMES B. WEBBER, JR.  
R. R. WILLIAMS  
C. E. WILSON  
BEN E. YOUNG

43 OFFICES IN METROPOLITAN DETROIT

Garden City • Harper Woods • Inkster • Livonia • Plymouth • Wayne

MAIN OFFICE—WOODWARD AT CADILLAC SQUARE—DETROIT 32, MICHIGAN

*Member Federal Deposit Insurance Corporation*



# The "F" and "G" Maturities Problem

AMONG the financing decisions faced by the new Administration is the question of what to do about the F and G Savings Bonds which start to mature on May 1, 1953. Outstanding today are some \$3,800,000,000 of Fs and \$18,400,000,000 of Gs. Maturing between May 1 and December 31 this year are \$189,000,000 Fs and \$935,000,000 Gs, or \$1,124,000,000 of both issues. In calendar 1954 the scheduled maturities are \$2,239,000,000, and in 1955, \$2,296,000,000.

In handling the maturities the Treasury Department will not face the administrative problems which loomed when the E bonds were similarly commencing to mature. Then, it will be recalled, the Treasury obtained legislation enabling it to extend the maturity of the E bonds for owners not wishing to be paid off in cash. Millions of E-bond holders chose to hold their securities beyond the original maturity dates. Today 75½ percent of all the E-bonds which matured between

May 1, 1951—when the extension was inaugurated—and December 31, 1952, are still outstanding.

The F and G bonds present quite a different situation. Of the outstanding \$22,257,000,000 of Fs and Gs, \$8,430,000,000 are in the \$1,000 denomination and \$12,134,000,000 are in larger denominations. In other words, the holders of these 12-year

We wonder if those persons trying to break out of prisons read the newspapers.

*Many of our great men used to come from the farm. We don't have any surplus of that product now.*

Some business men feel that the kind of business boom we have now is the kind that may fall down and go.

securities are among the country's more sophisticated investors. If paid off in cash, those investors will have a better idea of what substitute investment their money will buy than is the case with E-bond holders looking for a place to reinvest. This fact has to be considered by the Treasury in deciding what to do about the soon-maturing Fs and Gs.

There are three possible courses: (1) The Treasury can pay off the maturing Fs and Gs in its stride. The amount this year is not unmanageable. (2) It can, with legislation, extend the maturities. Whether this will appeal to the sophisticated investor will depend on the condition of the investment market at the time of maturity. The law limits interest on savings bonds to 3 percent as a maximum. (3) The Treasury might offer as an exchange either some other savings bond being currently marketed or, what may be more likely, an entirely new bond quite outside the savings bond category.



One way to judge the value of a correspondent bank relationship is to try it out for a year and see how it operates. An easier and quicker way is to select American National in Chicago . . . your guarantee in advance of complete satisfaction!

## Statement of Condition

AS OF DECEMBER 31, 1952

Assets		Liabilities	
Cash and due from banks . . . . .	\$ 89,635,215.11	Capital stock . . . . .	\$ 4,000,000.00
United States Government obligations . . . . .	91,800,707.67	Surplus . . . . .	6,000,000.00
Obligations of instrumentalities of the United States . . . . .	8,604,897.85	Undivided profits . . . . .	1,437,181.39
State and municipal securities . . . . .	16,158,293.02	Reserves for taxes, interest, contingencies, etc. . . . .	2,390,777.49
Other bonds and securities . . . . .	11,676,272.71	Unearned discount . . . . .	1,563,174.29
Loans and discounts . . . . .	88,112,654.01	Other liabilities . . . . .	411,210.55
Federal Reserve Bank stock . . . . .	300,000.00	Liability on letters of credit and acceptances . . . . .	2,324,492.94
Customers' liability on letters of credit and acceptances . . . . .	2,324,492.94	Deposits: . . . . .	
Accrued interest receivable . . . . .	602,815.38	Demand . . . . .	260,192,603.72
Other assets . . . . .	157,187.92	Savings . . . . .	23,131,339.23
		Other Time . . . . .	7,921,757.00
			291,245,699.95
	<u>\$309,372,536.61</u>		<u>\$309,372,536.61</u>

United States Government obligations and other securities are pledged to secure public and trust deposits of \$32,378,006.74, and for other purposes as required or permitted by law.

**American National Bank  
and Trust Company of Chicago**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

LA SALLE AT WASHINGTON, CHICAGO 90, ILLINOIS



## Government Bonds

(CONTINUED FROM PAGE 65)

marked change in the economic climate—for which fair weather has been quite generally forecast—to alter the attitudes of the great part of present holders of the Government securities which mature this year. Without such a change the great probability would seem to be that the pattern of refunding in 1953 will be quite similar to that which prevailed during 1952.

### Market Ups and Downs in 1952

Starting at the low point of the end of December 1951, the Government bond market improved steadily until late Spring, some of the longer bonds rising from three to four points. Thereafter, increasing loans, the completely neutral policy of the Open Market Committee, and the continuance of an ample supply of both corporate and municipal investments lessened the demand for Government issues.

Prices declined until the end of September, and then, after some improvement in October, declined again until the end of the year.

### Somewhat Easier Money in 1953

The immediate outlook as 1953 got underway pointed toward some easing of money conditions. A substantial post-year-end return flow of circulation and some seasonal decline in loans should permit the member banks to reduce considerably their borrowings from the Federal Reserve. As they were "in the Fed" to the

extent of \$2-billion late in December—even though the rediscount rate is now 2 percent—their borrowings, although reduced, seem likely to remain above the practices of earlier years.

That there will be some seasonal decline in loans is generally expected, but as to how much and when there is no agreement. The sharp rise which took place in the final quarter of 1952 had more of a seasonal character than that of a similar rise one year ago. Hence repayments are expected. To some extent these declines might be offset by new commitments resulting from continuation of the volume of business activity.

In the field of short-term issues it is probable that the weekly cost of Treasury bills will drop to the neighborhood of 1.80 percent (it was about 1.50 percent in January last year). This should be accompanied by some improvements in the prices for the issues maturing during 1953, especially as the rights values of such issues are now being talked up.

All the intermediate term issues, especially the 2½ percent bonds 9/15/59/56 and 2¾ percent bonds 6/15/58 should show little price change. Their prices have now been adjusted in line with the threat of a new long-term issue. They look like sound values for their respective maturities, but it is hard to see how they can be worth much more for the present.

To expect the market to behave as it did last spring is to expect too much unless the shrinkage in loans is larger than seems probable. A more reasonable expectation would be to look for some moderate price improvement in the first quarter, with subsequent changes in a pretty narrow range.

## The whole apple is YOURS!

### YOU GET THE ENTIRE COMMISSION ON NATIONAL CITY BANK TRAVELERS CHECKS

When you sell NCB Travelers Checks nobody takes "a bite" out of your commissions. You do not have to share them with anybody else.

You get it ALL—75¢ per \$100.

The sale of NCB Travelers Checks is a banking transaction all the way through. They are sold through BANKS. They are backed by a BANK—the National City Bank of New York. If they are lost or stolen, your customer gets a refund in full from the National City Bank of New York. They are advertised nationally in behalf of banks. Every advertisement directs prospective purchasers to banks, with these words, "BUY THEM AT YOUR BANK"

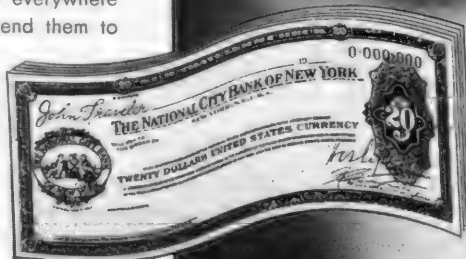
NCB Travelers Checks are safe, spendable everywhere for anything that money can buy. Recommend them to your customers.

### THE NATIONAL CITY BANK OF NEW YORK

First in World-Wide Banking

55 Wall Street, New York 15, N. Y.

Member Federal Deposit Insurance Corporation



# Only STEEL can do so many jobs so well



**HOW CAN IT BE SO SHARP?** Razor blade steel must be *clean* steel, free from certain impurities, or blade edges will nick when honed. Today, United States Steel produces about three quarters of the special razor blade steel used each year in America.



**MECHANICAL MARVELS** are becoming commonplace today . . . but here's one you may not have heard about. It's a multiple tie-tamper. Twelve tampers controlled by a single man, automatically compact ballast under ties, producing finished track in one operation, more quickly and more safely. Steel for machines like this is made by United States Steel.



**GUN THAT SHOOTS AROUND CORNERS!** Still undergoing tests by Army Ordnance is this curved steel barrel deflector for sub-machine guns. The automatic rapid fire weapon fires a 45 cal. bullet, the same as the 45 cal. automatic pistol, and the bullet is deflected in a groove to a 45 degree angle.



This trade-mark is your guide to quality steel



**STAINLESS PREFERRED.** A bus manufacturer reports that the bus shown above is made in two models . . . a standard model and a model with side panels of silvery stainless steel. When the stainless bus and the conventional painted panel bus are dispatched for the same destinations at the same time, passengers will usually choose the stainless steel sided bus in preference to the other. Only steel can do so many jobs so well!

## FACTS YOU SHOULD KNOW ABOUT STEEL

Last year, the iron and steel industry used about 100,200,000 tons of coal. If loaded in 50-ton hopper cars, that amount of coal would fill a train long enough to go more than halfway around the world at the equator!

# UNITED STATES STEEL

Listen to . . . The Theatre Guild on the Air, presented every Sunday evening by United States Steel.  
National Broadcasting Company, coast-to-coast network. Consult your newspaper for time and station.

AMERICAN BRIDGE . . . AMERICAN STEEL & WIRE and CYCLONE FENCE . . . COLUMBIA-GENEVA STEEL . . . CONSOLIDATED WESTERN STEEL . . . GERRARD STEEL STRAPPING . . . NATIONAL TUBE  
OIL WELL SUPPLY . . . TENNESSEE COAL & IRON . . . UNITED STATES STEEL PRODUCTS . . . UNITED STATES STEEL SUPPLY . . . Divisions of UNITED STATES STEEL CORPORATION, PITTSBURGH  
GUNNISON HOMES, INC. • UNION SUPPLY COMPANY • UNITED STATES STEEL EXPORT COMPANY • UNIVERSAL ATLAS CEMENT COMPANY

# HOW BIG IS A DOLLAR?

That is a pertinent question, for in the figures below we are accounting for our stewardship of more than 650 million of them.

Each of these dollars, to our way of thinking, is measured not in inches (actually 6.14 in. x 2.61 in.) but in feet . . . in human feet . . . solidly planted on the ground.

The solidly planted feet of the people who entrusted them to our care . . . of the people to

whom we have loaned them for constructive purposes . . . of our own people, directors, officers and staff.

We have always kept close to the idea that banking is a pretty down-to-earth business.

A lot of other people seem to think so, too. In our correspondent banking, commercial, savings, trust, investment, and other departments, we are pleased to report a healthy rate of growth.

## STATEMENT OF CONDITION

December 31, 1952

### RESOURCES

Cash on Hand and Due from Banks	\$176,402,618.16
U. S. Government Securities . . . .	182,501,325.67
State and Municipal Securities . . .	60,150,929.96
Other Bonds and Securities . . . . .	5,096,096.89
Loans and Discounts . . . . .	270,319,856.70
Federal Reserve Bank Stock . . . . .	780,000.00
Customers' Liability on Acceptances and Letters of Credit . . . . .	715,711.21
Accrued Interest and Other	
Resources . . . . .	3,962,634.13
Bank Premises . . . . .	2,375,000.00
<b>TOTAL . . . . .</b>	<b>\$702,304,172.72</b>

### LIABILITIES

Demand Deposits	\$578,425,592.58
Time Deposits . . .	74,870,947.55
<b>Total Deposits . . . . .</b>	<b>\$653,296,540.13</b>
Dividend Payable January 2, 1953	300,000.00
Acceptances and Letters of Credit	715,711.21
Reserves for Taxes, Interest, etc.	6,395,643.08
General Contingency Reserve . . .	7,949,790.05
Capital . . . . . \$	10,000,000.00
Surplus . . . . .	16,000,000.00
Undivided Profits	7,646,488.25
<b>Total Capital Funds . . . . .</b>	<b>33,646,488.25</b>
<b>TOTAL . . . . .</b>	<b>\$702,304,172.72</b>

United States Government Obligations and Other Securities carried at \$68,202,679 are pledged to secure Public and Trust Deposits and for other purposes as required or permitted by law.

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## That Immortal Dollar Shortage

THE world's craving for dollar goods it can't afford to buy won't end with President's Eisenhower's inauguration. It will never end, unless the U.S. institutes a cash and carry policy. Europeans are saying that they want out from under; that aid is demoralizing and humiliating. But what is sought is not an end, but rather less conspicuous ways to transfuse American economic strength.

Chancellor of the Exchequer Butler urges "trade, not aid." Political economists have been striving for programs to implement the slogan: The U.S.A. must import more, invest more abroad, help the world stabilize commodities and currencies. Nevertheless the new Congress will find the foreign aid baby on its doorstep. Just putting a new dress on it won't still its hunger.

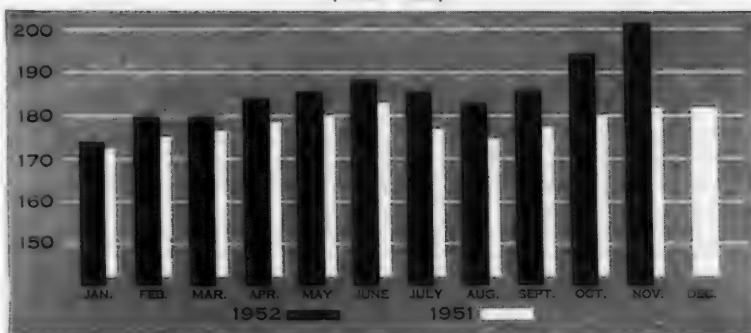
The foreign aid phenomenon in various guises goes back many years to the loans of World War I, the bond issues of the Twenties, the dollar's cheapening through devaluation and silver buying, and other programs. The process was greatly expanded by World War II. Since then we have seen successive emergency programs, notably that "final" one, the 4-year Marshall Plan.

### Economic Anemia

Since 1947, Europe's aid needs have been greatly reduced; but an insoluble annual residue of \$2- to \$3-billion, they tell us, remains. The European reconstruction and rehabilitation task has been done. But we have also been helping Europe counteract the permanent deterioration of its position, through the loss of foreign investments and colonies, the weakening of ties with dominions, and the effects of industrialization in underdeveloped countries on Europe's earnings from exports. Britain especially has suffered economic anemia from such causes. Yet precisely when least able to afford it, Europe has been raising the standard of living of its growing populations.

Better living standards also have been the goal of nonindustrialized countries, whose masses are multi-

Index of Canadian Industrial Activity  
(1937 = 100)



This index is published in our *Commercial Letter*, which contains each month a survey of the current economic climate, articles dealing with specific aspects of Canadian commerce and industry, and a statistical summary of commercial and industrial activity.

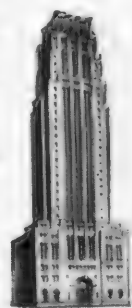
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Over 600 Canadian Branches



## CONDENSED STATEMENT OF CONDITION

At the Close of Business, December 31, 1952

### ASSETS

Cash on Hand and With the Federal Reserve Bank	\$ 73,428,066.14	
Due From Other Banks	11,377,104.33	
United States Government Securities	195,045,883.41	\$279,851,053.88
Other Bonds, Debentures & Securities		947,388.67
Stock in Federal Reserve Bank		450,000.00
Loans and Discounts		45,920,897.63
Bank Premises: Furniture & Fixtures		4.00
Customers' Liability on Letters of Credit & Acceptances		594,986.67
Accrued Interest Receivable on Loans & Securities		888,316.78
<b>TOTAL</b>		<b>\$328,652,647.63</b>

### LIABILITIES

Deposits	\$307,849,459.87
Letters of Credit & Acceptances	623,429.39
Interest Collected but Unearned	81,564.45
Reserved for Dividends, Interest, Taxes and Insurance	1,198,193.92
Capital Paid In	6,000,000.00
Surplus	9,000,000.00
Undivided Profits	3,900,000.00
<b>TOTAL</b>	<b>\$328,652,647.63</b>

The Oldest Bank in Southern California Whose Growth Has Never Been Documented by Mergers or Consolidation

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FIRST SECURITY BANK OF UTAH, N.A.

First Security Bank of Rock Springs, Wyo.

**LARGEST INTERMOUNTAIN BANKING ORGANIZATION**

CONSOLIDATED  
*Statement of Condition*

December 31, 1952

**RESOURCES**

Cash on Hand and in Banks.....	\$ 62,942,777.16
U. S. Government Securities, Direct or Fully Guaranteed.....	118,221,590.02
Municipal and Listed Securities.....	13,805,856.48
<b>Total Cash and Bonds.....</b>	<b>\$194,970,223.66</b>
Loans and Discounts.....	154,550,214.86
Banking Houses, Furniture & Fixtures.....	3,512,138.31
Stock in Federal Reserve Bank.....	390,000.00
Other Resources .....	328,506.35
<b>Total Resources .....</b>	<b>\$353,751,083.18</b>

**LIABILITIES**

Treasury Tax and Loan Account.....	\$ 7,072,374.92
Other Government and Public Fund Deposits .....	45,857,172.58
Due to Banks.....	13,372,445.56
Other Demand Deposits.....	174,881,360.56
Time Deposits .....	86,455,290.59
<b>Total Deposits .....</b>	<b>\$327,638,644.21</b>
Reserve for Unearned Discount.....	1,529,899.46
Reserve for Taxes, Interest, Expenses, Etc. ....	2,401,308.37
Reserve under Authority U. S. Treasury Mim. 6209 .....	2,299,861.50
Other Liabilities .....	332,819.99
<b>Total Liabilities .....</b>	<b>\$353,751,083.18</b>

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27 Banking Offices

**FIRST SECURITY BANK OF UTAH, N.A.**

22 Banking Offices

**FIRST SECURITY BANK OF ROCK SPRINGS**

Rock Springs, Wyoming

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plying even faster. Behind protective controls those countries have embarked on hurried industrialization accompanied by internal credit expansion. But their own means are not adequate for the purpose, so they too have looked to us for help.

Apart from investment and greater imports, Europe is telling us that we can blow the breath of life into "trade, not aid" by changing our gold policy. To the extent that we can do so, the stigma and embarrassment that come from annual congressional probing into other countries' housekeeping can be avoided.

Inflation has unstabilized the economies not only of European and underdeveloped countries, but also that of the U.S.A. In part, our own inflation of prices has been due to the foreign aid program. For, like munitions which are shot away in war, goods given away abroad make for inflation at home. The payrolls paid out to produce them tend to stay in circulation, looking for something to buy.

American inflation has reduced the purchasing power of foreign gold—both newly mined and old. Inflation abroad has reduced gold production. If gold could be given its prewar purchasing power, we are told, the world could pay for more than \$1-billion a year of goods it now gets as foreign aid. That result we can bring about, we are being told, by raising our buying price for gold.

The trouble with that scheme is that we do not need more gold. A price increase would tend to start up inflation here again. In the end, Europe's shortage of dollars to carry out its internal improvements and to cover up the deteriorated role in the world would come back again. Foreign aid would merely have been moved from the Federal budget to the family budget.

HERBERT BRATTER



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Community Homes, Inc., Champaign, Ill.

Averaged 12 houses a year before the war.

1947-48, built 110 houses, conventional and another prefabricated line.

1949: took on National Homes franchise; have erected over 1,400 National homes since then.



Men like Cecil Ozier and Scott Weller take pride in the smartness, quality and livability of the National homes they build. And the thousands of thrifty families who buy National homes every year take equal pride

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Traders & Farmers Bank	Haleyville, Ala.	WJBB
American National Bank & Trust Co.	Mobile, Ala.	WABB
Bank of Palmer	Anchorage, Alaska	KENI
Colorado Savings and Trust Co.	La Junta, Colo.	KBNZ
First National Bank	Trinidad, Colo.	KCRT
Security Trust Co.	Wilmington, Del.	WAMS
Florida National Bank	Lakeland, Fla.	WONN
Continental American Bank & Trust Co.	Shreveport, La.	KENT
Jackson City Bank	Jackson, Mich.	WKHM
First Peoples State Bank	Traverse City, Mich.	WTCM
Commercial National Bank and Trust Co.	Laurel, Miss.	WLAU
American National Bank	St. Joseph, Mo.	KFEQ
Chase National Bank	New York, N. Y.	WOR
Citizens National Bank	Oneonta, N. Y.	WDOS
Union Trust Company of Shelby	Shelby, N. C.	WOHS
City National Bank and Trust Co.	Columbus, Ohio	WHKC
First National Bank	Chickasha, Okla.	KWCO
Union Bank of Erie	Erie, Pa.	WLEV
Oil City Trust Co.	Oil City, Pa.	WKRZ
Northern Bank of Tennessee	Clarksville, Tenn.	WJZM
Carter County Bank	Elizabethton, Tenn.	WBEJ
National Bank of Commerce	Jackson, Tenn.	WDXI
Laredo National Bank	Laredo, Texas	KUOZ
Peoples National Bank	Tyler, Texas	KGKB
Waggoner National Bank	Vernon, Texas	KVWC
American National Bank & Trust Co.	Danville, Va.	WDVA
Flattop National Bank	Bluefield, W. Va.	WKOY
Merchants National Bank	Montgomery, W. Va.	WMON
First National Bank	Rhineland, Wis.	WOBT

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## A Bank News Roundtable

(CONTINUED FROM PAGE 44)

news stories. Bank officers are frequently in positions to give newspapermen tips or suggestions, which are not confidential, on business and other happenings. These stories may not concern the bank at all, but newspapers appreciate this kind of information.

**SCHULMAN:** Be easy to reach. Be specific. Don't ask that half a story be "put in" and half "kept out." Let news photographers do things their own way; don't try to squeeze more people into a picture than the photographer's instructions include. Spell names correctly; use right names instead of nicknames. Indicate whether the ladies are Miss or Mrs. Don't ask or hint for free prints of photographs. The newspaperman doesn't get 'em free. The photo department will send them to you at so much a print.

**NIENDORFF:** Seems to me this topic has been largely covered, but it might be added that one way *not* to develop friendly press relations is for banks to give newspapers the short ends of their advertising budgets and then expect the papers to devote their news columns to promotional material. Happily, the vast majority of banks have come to be realistic about this.

**HAMPSON:** It's easy for banks to maintain friendly relations with the press. Treat a newspaper reporter as you would a customer, or like you would want to be treated. Be courteous and never condescending. Remember, he must write on a wide variety of things and can't be expected to be informed on the subject of his interview with you. It may be absurd even to mention this next point, because so few bankers would do such a thing, but a good meal with liberal amounts of firewater won't influence a newspaperman worth his salt; the newspaper guest probably eats far better in his own home than at your fancy club. The same goes for minor gifts. Remember, the average newspaperman is an independent cuss who dislikes accepting presents or favors. So be yourself and all will be well.

**LANGSTON:** Dallas banks maintain exceptionally good relations with the press. A part of this is through personal acquaintance at both top levels and at working press levels. It has been built through mutual confidence. Part of it stems from efforts by the bankers to learn editors' preferences in handling bank news. Newspapermen are often invited to social gatherings for visiting bankers or businessmen, and thus have other opportunities to hear about banking problems than in interviews and press releases. Another thing—bankers can improve press relations by avoiding the "BOM" or "Business Office Must" story which an editor doesn't want but which is "rammed down his throat" through pressure in the business office. They can also anticipate needs and provide advance copies of releases, speeches, etc., thus not only saving the reporter's precious time but also having the pleasure of seeing their story in more editions than otherwise would be possible.

**GIBSON:** Well, that winds it up. This has certainly been a helpful, thoughtful discussion, and although we haven't covered the entire waterfront, I know that American banks and bankers thank you for this chance to hear the views of so distinguished a representation of the working financial press.

Meeting adjourned.





# MICHIGAN NATIONAL BANK

BATTLE CREEK

FLINT

GRAND RAPIDS

LANSING

MARSHALL

PORT HURON

SAGINAW

## STATEMENT OF CONDITION

December 31, 1952

### RESOURCES

Cash and Due from Banks.....	\$ 46,045,857.65	
U. S. Government Securities.....	107,803,407.90	
U. S. Guaranteed Loans.....	35,914,675.37	\$189,763,940.92
Loans—Other.....		112,389,711.89
Bank and Office Buildings.....		3,931,773.82
Federal Reserve Bank Stock.....		300,000.00
Accrued Income.....		664,264.20
Other Assets.....		644,878.72
Total Resources.....		<u><u>\$307,694,569.55</u></u>

### LIABILITIES

Commercial Deposits.....	\$164,611,033.64	
Savings Deposits.....	117,889,167.35	\$282,500,200.99
Other Liabilities.....		3,549,546.33
Deferred Income.....		6,713,399.64
Preferred Stock.....	\$ 1,000,000.00	
Common Stock.....	5,000,000.00	
Surplus.....	5,000,000.00	
Profits and Reserves.....	3,931,422.59	14,931,422.59
Total Liabilities.....		<u><u>\$307,694,569.55</u></u>

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Member  
Federal Reserve Bank  
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# Washington

(CONTINUED FROM PAGE 57)

of Congress and White House to get along.

## Prospects Are Promising

It is not predicted that this relationship will necessarily work out altogether satisfactorily, or that it might not later be jeopardized seriously by events. It is only reported that an initial basis for harmony such as has not existed in at least a generation has been established.

This disposition to maintain a close liaison between Congress and

President, if it works out as designed, will make, of course, for smooth, orderly government.

Incidentally, it will also suggest that the public will learn relatively more slowly of the details of the Eisenhower Administration's program than it has become accustomed to learning of Administration programs under Roosevelt and Truman. Under the latter, the rule was that programs were demanded far in excess of the possibilities of legislative achievement.

## Immediate Issues Arise

Several issues of considerable urgency will confront the Congress

in the next few months. One of the first of these is to attempt to achieve as great a reduction as possible in prospective Federal expenditures for fiscal 1954. Mr. Truman estimated these in his final Budget at \$78.6-billion.

If Mr. Truman's estimate of expenditures and also his estimate of \$68.7-billion of revenues are correct, the first full year of the Eisenhower Administration would without a change in the picture produce a deficit of \$9.9-billion.

Prior to President Eisenhower's own pronouncements on this subject, the determination of congressional leaders was to bring the budget into balance, "first." It was also the determination of congressional leaders to achieve a measure of tax reduction this year.

## Goal: Balanced Budget; Tax Reduction

These leaders were aiming at allowing the excess profits tax to end on statutory schedule June 30, and to advance to June 30 from December 31 the statutory expiration of the boosts in personal income tax rates, averaging about 11 percent, and enacted in 1951.

Leaders were hoping that they could both balance the budget and achieve these tax reductions. The implication of their disposition to balance the budget first, however, is that tax reduction must follow the job of securing the prospect for a balanced budget. Furthermore, if the solution of the Korean war temporarily involves an increase in war expenditures, this might also preclude tax reduction.

## Debt Management Eased

Mr. Truman in his final budget message also trimmed down his estimate of expenditures for the current fiscal year to less than \$75-billion from his August estimate of \$79-billion, and the prospective budget deficit to \$5.9-billion from the August estimate of \$10.3-billion.

The Treasury has been raising money during the first six months of the current fiscal year on the expectation of a cash deficit of nearly \$7-billion. Informed sources say that the cash deficit will be lowered by about as much as the expenditure estimate will be lowered. In other words, from the cash viewpoint the Treasury will go in the hole about \$3-billion this year in comparison



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Daniel W. Bell, President

with an anticipated cash need of \$7-billion.

In view of the fact that the Mills plan will bring most corporation tax receipts into the Treasury between now and June, the Treasury should from the cash viewpoint, have a surplus of a few billions during the first five months of the new Administration.

Hence, in view of the preparations for larger cash needs than are developing and the operation of the Mills plan, the problem of debt management during the early months of the Eisenhower Administration may be eased somewhat.

### Refinancing Slow Process

In this connection fiscal observers were pointing out that the stated objectives of the new Deputy Secretary of the Treasury for debt management, W. Randolph Burgess, probably will be achieved with relative deliberation. They advise against anticipating that any very large proportion of the short-term debt can be refinanced into long-terms paying 3 percent or better, within any short period, or that alteration of the terms of Savings Bonds to make them more attractive can be done quickly.

Debt refinancing, said these observers, is something which is done from time to time, "piece by piece," as it were, as the market indicates a readiness to absorb the new issues.

On the subject of interest, Mr. Truman estimated interest cost on the public debt for fiscal 1954 at \$6,350-million, down \$100,000,000 from the current year, for the technical reason that certain interest payments "bunched" into this fiscal year. The retired President's estimate made no

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**BANKING**, *Journal of the American Bankers Association*,  
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calculation of interest costs based upon the possibility of lengthening out the debt.

### Federal Reserve Policy

In view of the express backing of President Eisenhower and his chief fiscal advisers for this policy, the independence of the Federal Reserve System of domination by the executive arm of the Government is, of course, secure. The flexible credit policy goes on uninterrupted. Nevertheless, John D. Clark, retired vice-chairman of the President's Council of Economic Advisers, recently is-

sued a reminder of the time when White House domination of the Reserve was threatened, and with it the flexible credit policy.

Prior to his retirement, Dr. Clark took a verbal swipe at general credit control as practiced by the Federal Reserve System. At the same time he reminded many of how close the Truman Administration came to adopting a system of quantitative controls on loan volume by executive order, using as legal bases the Banking Act of 1933 (inadvertently not repealed) and the Trading with the Enemy Act.

While addressing the American Finance Association, Dr. Clark expressed the opinion that the present policy of general credit control "works mischief for the Treasury, but is too feeble to be effective in curbing inflation."

His argument for control over the quantity of loans by Government under executive order he stated by referring to it as an "important omission, from history's point of view," from the report of the Patman subcommittee study on monetary policy.

Dr. Clark inferred that there was "a gentlemen's agreement to forget that the President of the United States proposed a monetary policy on February 26, 1951."

He said: "The principal official witnesses ignored the episode, both in their detailed answers to the committee questionnaires and in the hearings. The committee, having accepted the obligation to evaluate the several different kinds of monetary policy as methods to halt inflation, might have been expected to dwell at length upon a published proposal by the President. It did not pursue the subject with the witnesses, and, although it mentions the presidential statement in its report, it says nothing about its most important feature."

"The bland account given by the officials leaves the impression that following the ultimatum by the Federal Reserve on February 19 that it would abandon firm support of the Government bond market, the officials of the two agencies got together

(CONTINUED ON PAGE 144)



## STATEMENT OF CONDITION

DECEMBER 31, 1952

### RESOURCES

Cash and Due From Banks.....	\$ 58,122,964.35
U. S. Government Bonds.....	99,281,342.00
Other Bonds and Securities.....	24,658,833.39
Loans and Discounts.....	99,846,947.32
Loans (Federally Insured or Guaranteed) ..	39,048,513.02
Bank Buildings .....	3,094,409.71
Furniture and Fixtures.....	1,166,730.35
Accrued Interest Receivable.....	1,483,191.95
Customers' Liability on L/C.....	751,809.04
Other Resources .....	1,041,773.56
<b>Total Resources .....</b>	<b>\$ 328,496,514.69</b>

### LIABILITIES

Deposits .....	\$ 305,104,124.85
Unearned Discount .....	3,704,273.98
Letters of Credit.....	751,809.04
Reserve for Taxes, Interest, etc. ....	2,320,059.57
Other Liabilities .....	235,444.35
<b>Capital Funds</b>	
Common Stock ....	\$ 5,000,000.00
Surplus .....	8,500,000.00
Undivided Profits ..	2,255,802.90
Reserves .....	625,000.00
<b>Total Liabilities .....</b>	<b>\$ 328,496,514.69</b>

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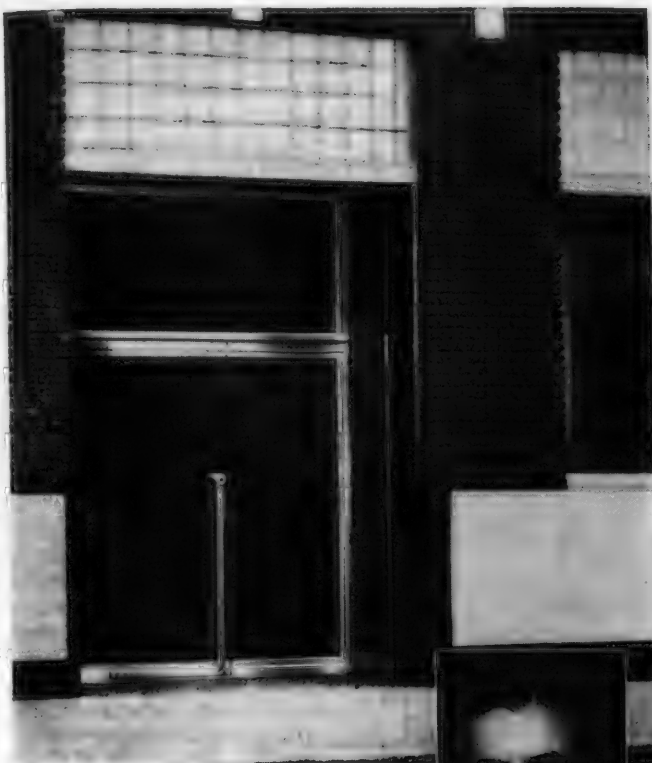


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The reason for this is simple: Just a slight touch on the handle and the door opens silently and smoothly as if by magic. The *Pittcomatic* operates on a simple hydraulic principle having no critical adjustments. When the controls are set, it operates without periodic attention. And the *Pittcomatic* is a double-acting power hinge. There is no visible operating mechanism. It is entirely self-contained and operates on 110-volt house current. A small finger-tip control panel makes possible a wide selection of operating variations.

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Surplus: \$15,000,000 — Pesos Colombian.  
Other reserves: \$3,172,000 — Pesos Colombian.

General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia (C), Barrancabermeja, Barranquilla (S), BOGOTA (S), Bucaramanga, Cali, Cartagena, Cartago, Cúcuta, Girardot, Ibagué, Magangué, Manizales, Medellín (I), Montería, Neiva, Palmira, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Vélez (S).

New York Representative—Henry Ludeke, 40 Exchange Place, New York 5, N. Y.

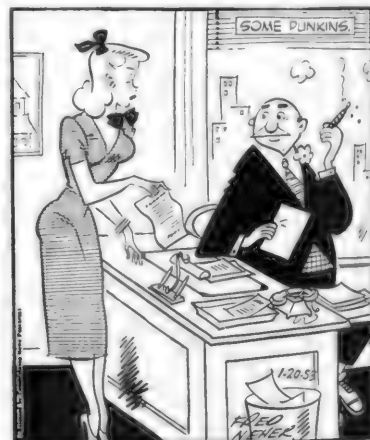
(CONTINUED FROM PAGE 142)

and worked out the 'full accord' announced on March 4. This fails to do justice to the fighting spirit of the Treasury officers, even at a time when Secretary Snyder was sadly ill, and almost isolated from his aides," related Dr. Clark.

"The actual response of the Treasury to the ultimatum was to secure the collaboration of the Council of Economic Advisers in a recommendation to the President, which led him to summon Treasury, Federal Reserve, and other officials to a meeting on February 26. He read a statement reaffirming the need of a firm par support program and proposing that the expansion of bank loans be stopped by executive order under a 20-year old statute which the Treasury had dug up. The Treasury officers attending the meeting to support the proposal of the President were the Under Secretary and an assistant secretary, who was soon to assume greater responsibility. (He is referring to Governor Martin.)

"The President designated a committee to study this proposal and other subjects. A subcommittee consisting of the general counsels of the Treasury, of the Federal Reserve Board, and of the Office of Defense Mobilization, together with a member of the Council of Economic Advisers, soon thereafter reported that there was clear legal authority for such direct and positive limitation of loans by banks and other financial institutions, that the simple executive order would effectively and immediately freeze the volume of credit

(CONTINUED ON PAGE 146)



"I know how it is at office parties, Mr. Dixon . . . I wrote down the raise you promised me and had you sign it."

# Society for Savings

IN THE CITY OF CLEVELAND

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## TRUSTEES

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**Robert F. Black**  
President, White Motor Company

**Irving C. Bolton**  
Vice President, The Warner & Swasey Co.

**Harold T. Clark**  
Attorney

**Frank M. Cobb**  
Director, Cleveland Electric Illuminating Co.

**T. J. Conway**  
President, Fisher Brothers Co.

**Frederick C. Crawford**  
President, Thompson Products Company

**Ernest C. Dempsey**  
Attorney, Squire, Sanders & Dempsey

**George Durham**  
President, Wheeling & Lake Erie Company

**Randolph Eide**  
Chairman of the Board,  
The Ohio Bell Telephone Company

**Mervin B. France**  
President

**Dwight P. Joyce**  
President, The Glidden Company

**Frank C. Lewman**  
Chairman of the Board,  
Richman Brothers Company

**James L. Myers**  
Chairman of the Board and President,  
Clevite Corporation

**Laurence H. Norton**  
Director, Columbia Transportation Company

**Drake T. Perry**  
Secretary, Harshaw Chemical Co.

**Henry S. Sherman**  
Chairman of the Board

**Herman L. Vail**  
Attorney, Sayre, Vail & Steele

**John S. Wilbur**  
Vice President, Cleveland Cliffs Iron Company

**Arthur P. Williamson**  
President, Dill Manufacturing Company

## STATEMENT OF CONDITION

December 31, 1952

### RESOURCES

(Less Reserves)

Cash on Hand and Due from Banks . . . . .	\$ 17,981,705.82
United States Government Obligations. . . . .	69,812,534.00
(Including \$13,800,000.00 as Lawful Reserve)	
Other Investments . . . . .	32,015,385.65
First Mortgage Loans on Real Estate . . . . .	96,970,353.58
Other Loans and Discounts. . . . .	40,294,147.32
Bank Premises—127 Public Square . . . . .	1.00
Bank Parking Lot—W. 3rd & Frankfort Ave. . . . .	1.00
Interest Accrued and Other Assets. . . . .	898,145.26
Total . . . . .	\$257,972,273.63

### LIABILITIES

Surplus . . . . .	\$ 15,000,000.00
Reserve for Contingencies . . . . .	2,447,745.95
Reserve for Taxes and Expenses . . . . .	831,417.60
Savings Deposits . . . . .	230,326,247.68
Other Deposits . . . . .	6,713,834.09
Deferred Credits and Other Liabilities . . . . .	2,653,028.31
Total . . . . .	\$ 257,972,273.63



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at the current level, and that necessary elasticity could be provided. In a supplemental report, the subcommittee set out in detail the essential provisions of an appropriate executive order.

"Positive limitation of the volume of bank loans has appeared in the credit control plans of many countries, and in a disguised form it has been an important part of Canadian policy. It is the only monetary policy which has been proposed which would protect the Treasury and at the same time put a sure brake upon credit expansion. It was especially appropriate at a time when our boys were being forced to become soldiers, our manufacturers were being told that they could not produce all they wanted to produce, and our merchants were denied the right to make their own prices. If we again meet the problem of curbing threatening inflation, we shall hear more of it."

#### Bank Credit Noninflationary

Commercial bank lending in 1952 was not inflationary, the Federal Reserve Board indicated in an analysis

### Gold and Silver

PRIOR to the inauguration, the outgoing and incoming Secretaries of the Treasury agreed that steps should be taken to provide an "orderly transfer of Government responsibility" for the Federal stock of gold and silver bullion and other assets.

To work out the details, a committee was appointed, with W. L. Hemingway, chairman, executive com-

mittee, Mercantile Trust Company, St. Louis, as chairman. Other members designated were William Fulton Kurtz, chairman, The Pennsylvania Company for Banking and Trusts, Philadelphia; Sidney B. Congdon, president, National City Bank of Cleveland, and James L. Robertson, member of the Board of Governors, Federal Reserve System.

of "Recent Credit Expansion" published in the Board's December *Bulletin*.

"At commercial banks, loan expansion has been substantial in 1952," the Board observed. "Commercial banks have also increased their portfolios of Government securities, although the level of their holdings has fluctuated considerably since mid-year . . . .

"The expansion in deposits of businesses and individuals which accompanied growth in bank credit in 1952 has been largely in the form of time

deposits and only to a moderate extent in demand deposits—a development which contributed to sustained high level activity without further inflation," the Board said.

It was added that the fact that banks had to borrow temporarily from the Reserve to meet their loan demands "exerted a restraining influence on monetary expansion."

Apart and in addition to this official analysis, there is now a disposition to rate the seasonal rise in bank lending during the second half of 1952 as just "slightly more than seasonal."

While consumer credit rose sharply since last May to \$22,798,000,000 on November 30, with installment credit at \$15,883,000,000 on this date, "the ratio of consumer installment credit granted to expenditures for durable goods is now back to prewar relationships," the Board observed.

#### Wolcott Heads JEC

Representative Jesse P. Wolcott (R., Mich.) is taking on the additional responsibility of serving as chairman of the Congressional Joint Committee on the Economic Report, as well as serving as chairman of the House Banking and Currency Committee.

Since the jurisdiction of the Banking Committee is one of broad economic questions, this position makes Mr. Wolcott virtually the chief spokesman of the Republican Party in Congress on economic matters.

Mr. Wolcott is both a veteran in service, having first come to Congress, March 4, 1931, for the second two years of Mr. Hoover's term as President, and one of the most consistent of conservatives. He fought public housing to the last, and has still sought to keep its scope reduced.

### HAVE YOU SEEN . . . . .

(1) Government forecasts or compilation of forecasts on the prospective business trend. In particular:

(A) The Commerce Department's *Markets After the Defense Expansion* on sale for 55 cents from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

(B) An article, "The Business Situation," in the December 1952 *Survey of Current Business*, sold for 30 cents by the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

(C) *The Sustaining Forces Ahead*, prepared by the Joint Committee on the Economic Report, U. S. Capitol, Washington, D. C.

(2) Consult the December 1952, National City Bank, *Monthly Letter on Economic Conditions and Government Finance* to get the well-worded discussion of the need for lengthening the maturities of the Federal debt, and other subjects favored by the new special Deputy Secretary of the Treasury, W. Randolph Burgess.

(3) For a broad observation of the expansion of credit and capital use in 1952 see the article, "Recent Credit Expansion," published in the December Federal Reserve *Bulletin*, or write to the Board of Governors, Federal Reserve System, Washington 25, D. C., for a reprint of this article.

(4) For the reasoning behind the demand for quantitative bank loan controls by Government decree and an argument against the Federal Reserve System's flexible credit policy, send to the Council of Economic Advisers, Executive Office of the President, Washington 25, D. C., for the address of John D. Clark before the American Finance Association, December 28.

(5) The Select Committee on Small Business of the U. S. House of Representatives, Washington, D. C., has prepared a comprehensive summary of the problems of small business as this committee views them, entitled, *Review of Small Business, Eighty-Second Congress*.



He was chairman of the Banking Committee during 1947 and 1948, the 80th Congress. The Michigander also has usually been opposed to direct controls, supporting the thesis that the full and independent use by the Federal Reserve System of its powers over general credit, avoids the necessity for direct controls.

With Mr. Wolcott becoming chairman of the JEC Committee, the leadership of that Committee for the first time passes to the House.

In 1946 Congress passed the Employment Act of 1946 which created the President's Council of Economic Advisers. This Council advises the President of measures intended to insure full employment at a rising standard of living. The Council recommends proposals to the President. The President in turn offers to Congress his recommendations in the "Economic Report" message.

It is the theoretical responsibility of the Congressional Joint Committee on the Economic Report to review the President's Economic Report message and to recommend proposals to the legislative committees. The JEC Committee has no power to handle legislation.

In practice the JEC Committee's force as a stimulator of concrete legislative programs has been virtually nil. However, the committee has assumed the role of a study group and its reports have generally had the tendency to give currency to the economic thinking of the majority of the committee.

Hence under Mr. Wolcott the JEC Committee, it may be presumed, will give support to some of the main objectives of the Eisenhower Administration, such as the balanced budget, tax reduction, the independence of the Federal Reserve System from White House control, the improvement of the efficiency and economy of Government, and the building up by Government of a favorable climate for the competitive, private enterprise system.

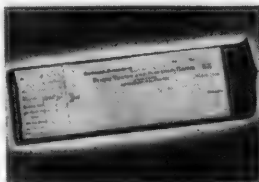
### Monetary Problem Study

It was a subcommittee of this full committee, or the "Patman Committee," named for its chairman, Representative Wright Patman (D., Tex.), which in 1951 and 1952 conducted the wide survey of debt management and monetary problems. A similar committee under the chairmanship of Senator Paul H. Douglas (D., Ill.)

(CONTINUED ON PAGE 149)



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**AMERICAN TRUST COMPANY**  
*San Francisco*

## Statement of Condition December 31, 1952

### RESOURCES

Cash on Hand and in Banks	\$ 272,677,243.58
U. S. Government Obligations	362,739,284.97
State, County and Municipal Bonds	54,661,875.29
Other Bonds and Securities	14,589,712.10
Stock in Federal Reserve Bank	1,580,300.00
Loans and Discounts	528,007,052.00
Bank Premises and Equipment	10,676,151.75
Other Real Estate	1.00
Customers' Liability under Letters of Credit and Acceptances	8,315,910.12
Accrued Interest Receivable and Other Assets	5,672,959.63
<b>Total Resources</b>	<b>\$1,258,920,490.44</b>

### LIABILITIES

Deposits	\$1,170,087,506.73
Letters of Credit and Acceptances	8,480,130.83
Reserve for Unearned Discount	6,713,286.76
Reserve for Interest, Taxes, etc.	6,667,889.21
Other Liabilities	1,847,587.32
Capital Stock	19,687,060.00
Surplus	32,988,760.00
Undivided Profits	12,448,269.59
<b>Total Liabilities</b>	<b>\$1,258,920,490.44</b>

*United States Government and other securities carried at \$150,356,088.23 are pledged to secure U. S. Government Deposits, other public funds, trust deposits, and for other purposes as required or permitted by law.*

*Member Federal Deposit Insurance Corporation*



(CONTINUED FROM PAGE 147)

conducted a similar monetary study two years previously.

Representatives Wolcott and Patman, Edward J. Hart (D., N. J.) and Richard Bolling (D., Mo.), were retained. Representative Christian Herter (R.) was elected Governor of Massachusetts, while Representative J. Caleb Boggs (R.) was elected Governor of Delaware.

On the Senate side of this Joint Committee, those who remained in the 83rd Congress are Senators Robert A. Taft of Ohio, Ralph Flanders of Vermont, and Arthur V. Watkins of Utah, all Republicans, and Senators Douglas and John J. Sparkman (D., Ala.). Chairman Joseph C. O'Mahoney (D., Wyo.) of the JEC was defeated for re-election to the 83rd Congress, as was Senator William Benton (D., Conn.).

While there was a disposition to reserve forecasts on the details of Eisenhower Administration legislation, Representative Wolcott, in an address in the capital city, predicted prior to the inauguration that the new Administration would move quickly to scrap wage-price controls. It was hinted that Mr. Wolcott made this prediction after consultation with some of Mr. Eisenhower's aides.

Mr. Wolcott said that he thought the new Administration would depend solely upon indirect monetary controls to halt any prospect of an inflationary trend.

### Senate Banking Committee Members

Members of both parties selected their members for the Senate Banking and Currency Committee for the new Congress.

The members of the committee will be:

(1) Republicans: Homer E. Capehart of Indiana, *chairman*, John W. Bricker of Ohio, and Irving M. Ives

of New York (all incumbents and holdover members of the committee), and (new members) Wallace F. Bennett of Utah, Prescott Bush of Connecticut, J. Glenn Beall of Maryland, Frederick G. Payne of Maine, and Barry M. Goldwater of Arizona.

(2) Democrats: Burnet R. Maybank of South Carolina, J. William Fulbright of Arkansas, A. Willis Robertson of Virginia, John J. Sparkman of Alabama, Paul H. Douglas of Illinois, J. Allen Frear, Jr., of Delaware (incumbents and holdover members), and (new mem-

ber) Herbert H. Lehman of New York.

Senators Everett M. Dirksen of Illinois and Andrew F. Schoeppel of Kansas, both Republicans, who joined the Senate Banking Committee for the first time in the 82nd Congress, transferred from this committee and to membership on other committees for the new Congress.

Senators William Benton of Connecticut and Blair Moody of Michigan, members of the Banking Committee during the 82nd Congress, were defeated for election in 1952.



### CONDENSED STATEMENT OF CONDITION, DECEMBER 31, 1952

#### ASSETS

Cash on Hand and in Banks . . . . .	\$ 224,647,054.72
United States Government Securities . . . . .	487,295,956.36
State, Municipal and Other Securities, including Stock of the Federal Reserve Bank . . . . .	135,463,592.32
Loans and Discounts . . . . .	470,374,960.60
Bank Premises . . . . .	3,332,390.73
Other Real Estate . . . . .	1.00
Other Assets . . . . .	4,570,674.25
	<b>\$1,325,684,629.98</b>

#### LIABILITIES

Capital Stock . . . . .	\$ 17,500,000.00
Surplus . . . . .	42,500,000.00
Undivided Profits . . . . .	8,468,887.81
Reserve for Contingencies . . . . .	3,000,000.00
	<b>Capital Funds \$ 71,468,887.81</b>

#### DEPOSITS

Commercial and Savings . . . . .	\$1,205,321,868.93
Estates and Corporate Trust . . . . .	37,409,869.92
	<b>1,242,731,738.85</b>
Accrued Taxes, Interest, etc. . . . .	8,195,112.92
Other Liabilities . . . . .	3,288,890.40
	<b>\$1,325,684,629.98</b>

United States Government Securities carried at \$115,681,191.90 are pledged to secure U. S. Government Deposits and other Public Funds and for other purposes as required or permitted by law

Assets are shown NET after deducting Valuation Reserves.

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Federal Reserve System

Largest branch banking system between New York and San Francisco  
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### RFC Bank Investment

RFC has announced that as of December 31, 1952, its investment in capital of banks had been reduced to only \$47,736,982 in 67 institutions, and that several of the 67 banks have advised RFC that they were working on definite plans to retire the RFC investment within the next few months.

# THE BANK OF TORONTO

97<sup>th</sup> Annual Statement

29TH NOVEMBER, 1952

## CONDENSED GENERAL STATEMENT

### ASSETS

Cash, Deposits with, and due from	
Other Banks.....	\$100,442,050
Dominion and Provincial Government Securities.....	} Not exceeding market value
Municipal and Other Securities.....	
Call Loans (secured).....	177,961,430
Commercial and Other Loans.....	27,612,651
Bank Premises.....	5,668,085
Customers' Liability under Acceptances and Letters of Credit as per contra.....	198,741,152
Other Assets.....	3,883,636
	2,988,612
	223,909
	<u>\$522,521,585</u>

### LIABILITIES

Deposits.....	\$496,766,276
Acceptances and Letters of Credit Outstanding.....	2,988,612
Other Liabilities.....	398,134
Dividends declared and unpaid.....	330,943
Capital.....	\$ 6,000,000
Reserve Fund.....	14,000,000
Undivided Profits.....	2,037,620
	<u>22,037,620</u>
	<u>\$522,521,585</u>

B. S. VANSTONE,  
President

L. G. GILLETT,  
General Manager



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Branches Across Canada

European Representative: 146 Leadenhall St., London E.C. 3, Eng.

Correspondents all over the world

Senator Capehart was a manufacturer before he was elected to Congress in 1944. Senator Bricker, a lawyer, was once attorney general of Ohio and three times Governor. He ran for vice-president in 1944.

For several years Senator Ives as a young man worked with banks in New York City, first with the Guaranty Trust Company and next with the Manufacturers Trust Company. He subsequently went into the insurance business and from that to a long career in New York State Republican politics, prior to his election in 1946 to the Senate.

Wallace Bennett, a manufacturer, was once president of the National Association of Manufacturers. He served briefly on the Banking Committee during the 82nd Congress until the death of Senator Arthur Vandenberg required a reduction in the number of GOP members on that committee. He is author of a bill to terminate the postal savings system.

Prescott Bush was an investment banker, partner of the firm of Brown Brothers Harriman & Co., New York City, prior to his election to the Senate. He resigned from the directorship of several big national corporations as of January 1.

Maryland's Senator Beall, for 10 years a member of the Federal House, was an insurance and real estate broker before he entered Congress and was a director of the Second National Bank of Cumberland, Maryland, for a number of years.

Frederick G. Payne came to the Senate from the Governorship of Maine, having defeated former Senator Owen Brewster.

Senator Goldwater's business background was that of owner of a big department store in Phoenix, prior to his election last November to the Senate.

### Democratic Appointees

On the Democratic side, Senator Maybank was a former cotton merchant and Charleston, S. C., mayor, and governor of South Carolina, before he came to the Senate in 1941.

Senator Fulbright, a lawyer and one-time Rhodes scholar, is known to the banking world for his job of conducting the investigation of the Reconstruction Finance Corporation, which exposed malpractices

(CONTINUED ON PAGE 152)



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**SPEED** in form handling . . . Burroughs patented carriage and self-squaring form guides make insertion of forms an easy, one-hand operation with no waste motion.

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**EASE** of operation . . . Operators like the easy-action keys and new feather-touch motor bars. Fatigue is greatly reduced, production is increased.

**SIMPLICITY** . . . Simplified check, deposit, and balance motor bars—each with a single basic function—make operation as simple as ABC . . . and fast, *automatic* balances eliminate operator decisions, reduce errors and speed production.

**FLEXIBILITY** . . . Check lists can be made on a separate tape during the posting run, and list totals posted without rehandling any figures. Simple shift of a lever changes from ledger posting to statement posting or balance transfer.

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**BANKING**  
12 East 36 Street — New York 16, N. Y.

(CONTINUED FROM PAGE 150)

and led to the reorganization of that agency.

A. Willis Robertson was chairman of the Federal Reserve Subcommittee of the Senate Banking Committee during the 82nd Congress, and was author of the "moderate" bill providing for regulation of the growth of bank holding companies and their investment in nonbanking enterprises. He was elected to the House in 1932 and served continuously there until his election to the Senate in 1946.

Senator Sparkman was the unsuccessful candidate for vice-president in last year's election campaign, and is a veteran in Congress. He generally advocates Federal assistance in making housing mortgage money easily available.

Senator Frear was chairman of the Securities Subcommittee of the Senate Banking Committee during the 82nd Congress and held hearings on the complaint of state bank supervisory officials relative to FDIC's proposed rule, now abandoned, requiring a bank as a condition for obtaining deposit insurance to agree to maintain at all times a capital ratio equal to the national average capital ratio of all insured banks. Senator Frear was a director of the Farmers Bank, Dover, Delaware, and of the Baltimore Trust Company, Camden.

Senator Douglas conducted a minority subcommittee study in 1949-50 which strongly backed the independence of the Federal Reserve System.

The Democrats' only new member on the committee is the former Democratic governor of New York for 10 years, Herbert H. Lehman. He was also director general of the United Nations Relief and Rehabilitation Administration, and was once a partner of the investment banking firm of Lehman Bros.

### House Banking Committee Members

At their separate party caucuses after Congress met the Republicans selected 16 of their party to be members of the House Banking committee and the Democrats named 13.

The ratio in the 82nd, or Democratic-controlled Congress was 15 Democrats to 12 Republicans. In the new or 83rd Congress a ratio of 16 to 13 gives the GOP a working majority of one, or a ratio in prac-

tice of 15 to 14, since one Republican member almost invariably, according to reports, votes with the Democrats in executive session.

Heading the party lists are Jesse P. Wolcott, Michigan, chairman, and Brent Spence of Kentucky, chairman in the last Congress and now ranking Minority member of the committee.

Other members of the Banking committee for the 83rd Congress are as follows: Republicans; Ralph A. Gamble of New York, Henry O. Talle of Iowa, Clarence E. Kilburn of New York, Merlin Hull of Wisconsin, Gordon L. McDonough of California, William B. Widnall of New Jersey, Jackson E. Betts of Ohio (all incumbents), and (new members) Wesley A. D'Ewart of Montana, Myron F. George of Kansas, Walter M. Mumma of Pennsylvania, William E. McVey of Illinois, G. Bailey Merrill of Indiana, Charles G. Oakman of Michigan, Edgar W. Hiestand of California, and Douglas R. Stringfellow of Utah. Democrats: Paul Brown of Georgia, Wright Patman of Texas, Albert Rains of Alabama, Abraham J. Multer of New York, Charles B. Deane of North Carolina, George D. O'Brien of Michigan, Hugh J. Adonizio of New Jersey, Isidore Dollinger of New York, Richard Bolling of Missouri, and Wayne L. Hays of Ohio, and William A. Barrett of Pennsylvania (all incumbents) and Barratt O'Hara of Illinois, (a member of the 81st Congress but absent in the 82nd Congress).

A considerable variety of business and professional backgrounds is represented by the membership of the Banking Committee of the House in the new Congress.

### Raise Discount Rate

Possibly reflecting the judgment that bank lending would not decline as rapidly as the seasonal pattern called for, the Federal Reserve Board on January 15 voted to raise the discount rate effective January 16 to two percent from 1½ percent at the Federal Reserve Banks of New York, Philadelphia, Cleveland, Chicago, Atlanta, St. Louis, Minneapolis, and Kansas City.

*The Communists are not very good at peace-work.*

# THE NATIONAL CITY BANK OF NEW YORK

Head Office • 55 WALL STREET • New York

67 Branches in Greater New York

57 Branches Overseas



## Statement of Condition as of December 31, 1952

### ASSETS

Cash, Gold and Due from Banks	\$1,707,070,284
United States Government Obligations	1,427,076,743
Obligations of Other Federal Agencies	31,505,714
State and Municipal Securities	499,071,241
Other Securities	94,649,031
Loans and Discounts	2,269,931,847
Real Estate Loans and Securities	12,385,051
Customers' Liability for Acceptances	23,298,407
Stock in Federal Reserve Bank	9,420,000
Ownership of International Banking Corporation	7,000,000
Bank Premises	29,488,783
Items in Transit with Branches	995,477
Other Assets	5,222,622
<b>Total</b>	<b>\$6,117,115,200</b>

### LIABILITIES

Deposits	\$5,613,861,572
Liability on Acceptances and Bills	\$55,088,614
Less: Own Acceptances in Portfolio	30,249,211
Due to Foreign Central Banks	18,410,100
(In Foreign Currencies)	
Reserves for:	
Unearned Discount and Other Unearned Income	28,342,712
Interest, Taxes, Other Accrued Expenses, etc.	42,126,555
Dividend	3,312,000
Capital	\$144,000,000
(7,200,000 Shares—\$20 Par)	
Surplus	170,000,000
Undivided Profits	72,222,858
<b>Total</b>	<b>\$6,117,115,200</b>

Figures of Overseas Branches are as of December 23.

\$395,102,681 of United States Government Obligations and \$18,520,100 of other assets are deposited to secure \$319,509,504 of Public and Trust Deposits and for other purposes required or permitted by law.

(Member Federal Deposit Insurance Corporation)

Affiliate of The National City Bank of New York for separate administration of trust functions

### CITY BANK FARMERS TRUST COMPANY

Head Office: 22 William Street, New York

Capital Funds \$31,481,638

We shall be glad to send a complete copy of the 1952 "Report to Shareholders" of THE NATIONAL CITY BANK OF NEW YORK and CITY BANK FARMERS TRUST COMPANY to anyone who requests it.

### DIRECTORS

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Chairman of the Board

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President

STANLEY C. ALLYN  
President, The National Cash Register Company

SOSTHENES BEHN  
Chairman, International Telephone and Telegraph Corporation

CURTIS E. CALDER  
Chairman of the Executive Committee, Electric Bond and Share Company

CLEVELAND E. DODGE  
Vice-President, Phelps Dodge Corporation

RALPH GWIN FOLLIS  
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Vice-President and General Counsel, Anaconda Copper Mining Company

JOSEPH P. GRACE, JR.  
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HARRY C. HAGERTY  
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FREDERICK B. RENTSCHLER  
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REGINALD B. TAYLOR  
Williamsville, New York

ROBERT WINTHROP  
Robert Winthrop & Co.

BOYKIN C. WRIGHT  
Shearman & Sterling & Wright

# The First National Bank of Memphis

MEMPHIS, TENNESSEE



## STATEMENT OF CONDITION

At Close of Business, December 31, 1952

### RESOURCES

Cash and Due from Banks.....	\$ 61,402,716.92
U. S. Government Securities.....	53,208,321.88
State, County and Municipal Bonds.....	15,573,595.92
Other Bonds.....	406,453.25
Other Securities.....	6.00
Stock in Federal Reserve Bank.....	360,000.00
Loans and Discounts.....	95,624,890.63
Customers' Liability Acc't Letters of Credit Executed.....	231,114.00
Bank Premises: Main Office.....	750,000.00
Bank Premises: Branches.....	175,000.00
Accrued Interest Receivable.....	282,185.50
Other Assets.....	78,766.27
<b>Total.....</b>	<b>\$228,093,050.37</b>

### LIABILITIES

Capital Stock.....	\$ 4,000,000.00
Surplus.....	8,000,000.00
Undivided Profits.....	1,530,481.85
Reserve for Taxes.....	1,025,640.00
Unearned Discount.....	819,766.42
Dividend Payable Jan. 1, 1953.....	120,000.00
Letters of Credit Executed for Customers.....	231,114.00
Deposits.....	212,366,048.10
<b>Total.....</b>	<b>\$228,093,050.37</b>

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## A.I.B. Expanding Graduate Courses Service

As everybody knows, they do big things in a big way in Texas, so it was fitting that the American Institute of Banking's latest educational project should start there.

The Texas School of Investments, held last November at Camp Carter near Fort Worth, was the beginning of a program designed to take the Institute's graduate courses to the officers and personnel of smaller banks. Through these bankers the A. I. B. hopes also to expand its study group and correspondence activities.

The Texas school offered a five-day program designed especially for the officers of Texas banks which are not in chapter or study group areas. Response from the students was so encouraging that the A. I. B.'s Executive Council is planning a limited number of similar schools during 1953.

### Probable Course Areas

"Naturally," says Dr. Leroy Lewis, National Educational Director, "we want to hold them in areas where there is a real need, where a competent faculty is easily available, where a chapter desires to offer this kind of service to smaller banks in its area, where there are facilities for eating and sleeping, and where a potential student body exists."

The decision to offer investments as the subject of the first course was made after extensive discussion with several bankers in Fort Worth and Dallas.

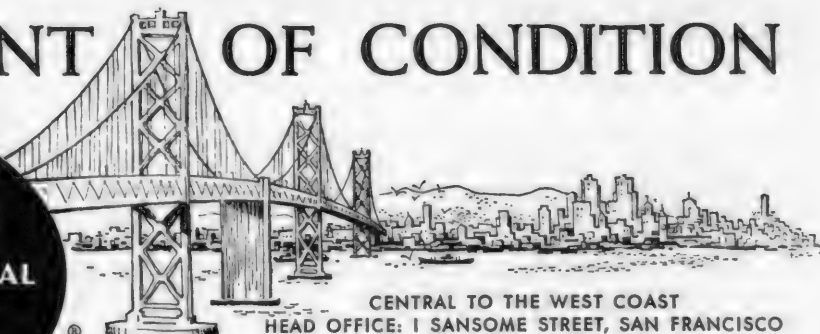
"It was their feeling (and they proved to be right)," says Dr. Lewis, "that many bank officers in charge of the investment portfolios of their institutions would welcome an opportunity to formalize their education in this field and to bring themselves up-to-date on the investment problems facing them."

Cooperating with the Institute's National Office in the project were  
(CONTINUED ON PAGE 156)



# STATEMENT OF CONDITION

## ANGLO CALIFORNIA NATIONAL BANK



### DIRECTORS

FRED W. ACKERMAN, *President,*  
*Pacific Greyhound Lines*

FRED B. BAIN, *President,*  
*Leslie Salt Company*

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*Berry Oil Company*

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*Downey, Brand, Seymour and Robwer*

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*Vice President*

ALLARD A. CALKINS,  
*Chairman of the Board*

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*Harry Camp Millinery Company*

WM. HERBERT CARR,  
*Vice President and Treasurer,*  
*California Packing Corporation*

HARRY D. COLLIER,  
*Director and former Chairman,*  
*Standard Oil Company of California*

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FREDERICK M. FISK,  
*Chickering & Gregory, Attorneys*

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*President*

ERNEST INGOLD, *President,*  
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*Union Lumber Company*

PAUL B. KELLY,  
*First Vice President*

JOHN J. REILLY, *President,*  
*Western Department Stores*

CHARLES L. WHEELER,  
*Executive Vice President,*  
*Pope & Talbot, Inc.*

HERMAN WOBBER,  
*Twentieth Century-Fox Film Corporation*

### ASSETS

	December 31, 1952	December 31, 1951
<b>CASH AND SECURITIES</b>		
Cash and Due from Banks . . . . .	\$149,931,875.85	\$149,565,814.17
United States Government Securities . . . . .	228,775,617.16	208,260,070.34
State and Municipal Securities . . . . .	44,019,147.73	38,732,049.47
Other Bonds and Securities . . . . .	8,724,707.51	8,745,477.31
<b>TOTAL</b> . . . . .	<b>\$431,451,348.25</b>	<b>\$405,303,411.29</b>
<b>LOANS</b>		
Commercial Loans . . . . .	\$123,842,932.30	\$123,959,997.70
Real Estate Loans . . . . .	92,187,906.83	85,325,466.81
Automobile and Installment Loans . . . . .	111,650,639.65	80,604,709.07
	<b>\$327,681,478.78</b>	<b>\$289,890,173.58</b>
Less: Reserve for Possible Loan Losses . . . . .	4,070,152.96	3,334,327.70
<b>TOTAL</b> . . . . .	<b>\$323,611,325.82</b>	<b>\$286,555,845.88</b>
<b>OTHER ASSETS</b>		
Accrued Income Receivable . . . . .	\$ 2,171,970.10	\$ 1,997,665.45
Stock in Federal Reserve Bank . . . . .	1,095,000.00	1,065,000.00
Bank Premises and Equipment . . . . .	6,789,250.17	5,999,400.21
Other Real Estate Owned . . . . .	346,059.54	81,877.39
Customers' Liability under Letters of Credit and Acceptances . . . . .	7,402,236.78	13,788,165.48
Other Assets . . . . .	697,602.49	1,131,808.68
<b>TOTAL</b> . . . . .	<b>\$ 18,502,119.08</b>	<b>\$ 24,063,917.21</b>
<b>TOTAL ASSETS</b> . . . . .	<b>\$773,564,793.15</b>	<b>\$715,923,174.38</b>

### LIABILITIES

<b>DEPOSITS</b>		
Demand Deposits . . . . .	\$372,340,323.66	\$353,775,773.62
Time Deposits . . . . .	252,490,637.15	218,664,419.61
United States Government Deposits . . . . .	14,142,402.01	9,003,500.14
Other Public Deposits . . . . .	72,108,526.63	70,035,492.70
<b>TOTAL</b> . . . . .	<b>\$711,081,889.45</b>	<b>\$651,479,186.07</b>
<b>OTHER LIABILITIES</b>		
Dividends Payable . . . . .	\$ 1,000,000.00	\$ 900,000.00
Income Collected in Advance . . . . .	5,974,503.45	2,731,110.06
Letters of Credit and Acceptances . . . . .	7,483,615.57	15,043,101.70
Accrued Interest, Taxes, Other Expense . . . . .	4,116,181.29	3,474,213.03
<b>TOTAL</b> . . . . .	<b>\$ 18,574,300.31</b>	<b>\$ 22,148,424.79</b>
<b>CAPITAL ACCOUNTS</b>		
Capital Stock . . . . .	\$ 20,000,000.00	\$ 20,000,000.00
Surplus . . . . .	16,500,000.00	15,500,000.00
Undivided Profits . . . . .	5,226,330.71	4,710,656.27
Unallocated Reserves . . . . .	2,182,272.68	2,084,907.25
<b>TOTAL</b> . . . . .	<b>\$ 43,908,603.39</b>	<b>\$ 42,295,563.52</b>
<b>TOTAL LIABILITIES</b> . . . . .	<b>\$773,564,793.15</b>	<b>\$715,923,174.38</b>

On December 31, 1952, securities carried at \$117,270,712.12 were pledged to secure trust deposits, United States Government and other public deposits, as required by law. On December 31, 1951, securities so pledged amounted to \$111,155,910.23.

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(CONTINUED FROM PAGE 154)

Fort Worth and Dallas Chapters, the clearing houses of both cities, and Texas Christian University. The school, as previously reported in **BANKING**, had 42 students, and the curriculum covered five divisions of investments: Governments, corporates, municipals, bank portfolio management, and advising bank customers. One day was devoted to each subject.

The 26-man faculty of investment authorities was recruited principally from the commercial banks of Fort Worth and Dallas. Five other men were seminar speakers.

### The Student Body

The students included one board chairman, three presidents, three executive vice-presidents, 22 vice-presidents, one assistant vice-president, five cashiers and assistant cashiers, six trust and investment officers, one Federal Reserve examiner. Only 12 of the students came from chapter areas.

A low registration fee of \$35 was possible because the clearing houses in Fort Worth and Dallas asked if they could help underwrite the project. They also requested that no honorariums be paid the faculty inasmuch as they came from Texas and would prefer to give their services.

### "Sold on Program"

Students were enthusiastic about the course. Said one banker: "This is my first brush with the A. I. B. and I'm sold on its program 100 percent. My only regret is that I didn't get in on it 30 years ago. Those of us away from the Institute centers need this type of intensive instruction."

"The school was outstanding," said another. "I believe most of the people will agree that it was the best one in their experience."

Several men asked the administrative staff if they might help in developing similar schools in Texas, covering such subjects as credits, trusts, home mortgage lending, consumer credit, etc.

Neither the subjects nor the locations of the 1953 schools have yet been selected. However, Institute President Martin J. Travers of Niagara Falls, New York, Educational Director Lewis, and the other national officers are working on the plans.

1953 edition of "PRESENT DAY BANKING" only \$5.50 in the U. S. A., \$6.00 elsewhere. Send your order to **BANKING**, 12 East 36 Street, New York 16, N. Y.



# The "Cornwallis" House...

VETERAN OF THREE WARS



WHEN Lord Cornwallis came to Wilmington in April 1781, as his headquarters he requisitioned part of the finest dwelling in town, the home of Judge Joshua Grainger Wright. Although he stayed only two weeks, this fine old North Carolina mansion has ever since been known as the Cornwallis House. For many years initials scratched on a windowpane in the drawing room were reminders of the brief romance between a junior officer on Cornwallis' staff and one of Judge Wright's lovely daughters. By an amazing coincidence, a century later when a descendant of the Wright family was returning to Wilmington from a trip abroad, she met on shipboard a young Englishman who confided that he was making a pilgrimage to the Cornwallis House to see the initials which one of his ancestors had engraved on a window with his heavy diamond ring.



The house was built in 1771 by the wealthy John Burgwin, treasurer of the colony. When he went to England at the start of the Revolution he leased the house to Judge Wright who later purchased it.

The foundations were built on the site of the old town jail. In the dungeon beneath the house were confined many rebellious colonists who disobeyed the edicts issued by Cornwallis. According to local lore, leading from the dungeon to the Cape Fear River was a tunnel through which many persons escaped.

This gracious home of Southern aristocrats was used by armed forces in three wars: During the Revolution it was occupied by the British; in the War Between the States it quartered Federal officers after Wilmington had been captured by Union armies; and in World War II it served as an officers' club.

The Cornwallis House is now the headquarters of the North Carolina Society of the Colonial Dames of America. Authentically restored, it is open to the public through the society's generosity.

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# CONDENSED

## Statement of Condition

AT CLOSE OF BUSINESS DECEMBER 31, 1952

### DIRECTORS

SAMUEL K. RINDGE  
*Chairman of the Board*

HERBERT D. IVEY  
*President*

CARL E. BAKER  
MILO W. BEKINS  
W. J. BOYLE  
ROY A. BRITT  
WALTER H. BUTLER  
RALPH J. CHANDLER  
EUGENE P. CLARK  
DWIGHT L. CLARKE  
T. B. COSGROVE  
A. M. DUNN  
ERNEST E. DUQUE  
ROBERT E. HUNTER  
WILLIAM A. INNES  
L. O. IVEY  
EARLE M. JORGENSEN  
ROBERT W. KENNY  
RUDOLPH A. PETERSON  
WILLIAM S. ROSECRANS  
W. A. SIMPSON  
J. HARTLEY TAYLOR  
KENNETH B. WILSON

### RESOURCES

Cash and Due from Banks	\$103,103,178.10
United States Government Securities	177,697,830.10
State, County and Municipal Bonds	14,813,070.08
Loans and Discounts	109,619,699.25
Federal Reserve Bank Stock	360,000.00
Stock in Commercial Fireproof Building Co.—Head Office Building	348,300.00
Bank Premises, Furniture and Fixtures, and Safe Deposit Vaults (Including Branches)	3,560,911.96
Other Real Estate Owned, Carried at Customers' Liability under Letters of Credit and Acceptances	1.00
Earned Interest Receivable	860,946.01
Other Resources	995,081.89
TOTAL	166,300.98
	\$411,525,519.37

### LIABILITIES

Capital Stock	\$5,000,000.00
Surplus	8,000,000.00
Undivided Profits	4,001,224.28
Reserves for Interest, Taxes, Contingencies, Etc.	\$ 17,001,224.28
Discount Collected—Unearned	2,910,717.04
Letters of Credit and Acceptances	1,432,130.10
Other Liabilities	928,744.51
Deposits	457,393.35
TOTAL	388,795,310.09
	\$411,525,519.37

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575 Branches Across Canada • Resources Exceed \$2 Billion

## Monetary Policy

(CONTINUED FROM PAGE 54)

business activity, the goal of a balanced budget would recede. Despite sharply reduced revenues, there might even be tax cuts designed to stimulate business recovery.

### DEBT MANAGEMENT

In the field of debt management, Mr. Burgess will be the dispenser of what he refers to as "good old-fashioned monetary medicine."

His prescriptions are well known. They are summarized in the *National City Bank Letter* for December. They are spelled out in greater detail in a volume entitled *Our National Debt*, a report published in 1949 by a special Committee on Public Debt Policy of which he was chairman. For some years, also, he has elaborated his views in his annual economics lectures at The Graduate School of Banking.

In general terms, "this country must have a clear-cut policy for debt management. The program should have two objects, either of which is useless unless the other is realized. One is expert handling of the financial phases of the debt; the other is nourishment of a dynamic, stable national economy."

A major problem is the fact that so large a portion of the public debt is of such short maturity. Over the next five years the Treasury will be called upon to deal with \$213-billion, or four-fifths of the entire debt. In Mr. Burgess' opinion, "the task boils down to one of reconstructing the public debt and in a way and at a pace that will aid economic stability and assure the investor in new issues that he will get paid back money as good as he gave."

One may expect, therefore, that a prime objective of Treasury policy will be to lengthen out the maturity of the debt. At the same time, efforts will be made to broaden the ownership of the debt and to shift the debt from the portfolios of commercial banks to the hands of non-bank investors, especially during periods of inflationary pressure.

Such an accomplishment would not only make the debt easier to manage; it would also tend to reduce the money supply and give the Federal Reserve System greater freedom of action in restraining credit expansion.

(CONTINUED ON PAGE 161)



# National's 31 computes monthly **LOAN INTEREST**

at the same time accounts are

## **POSTED or PROVED!**

CONVERTIBLE		MORTGAGE		INTEREST		PAYMENT		BALANCE		DUE	
DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT
JAN 4-53	33.75	JAN 4-53	10.00	JAN 4-53	10.00	JAN 4-53	10.00	JAN 4-53	10.00	JAN 4-53	10.00
FEB 4-53	33.61	FEB 4-53	10.00	FEB 4-53	10.00	FEB 4-53	10.00	FEB 4-53	10.00	FEB 4-53	10.00
MAR 4-53	33.48	MAR 4-53	10.00	MAR 4-53	10.00	MAR 4-53	10.00	MAR 4-53	10.00	MAR 4-53	10.00
APR 4-53	33.34	APR 4-53	10.00	APR 4-53	10.00	APR 4-53	10.00	APR 4-53	10.00	APR 4-53	10.00



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This same machine can be used for **ALL TYPES** of other accounting work . . . even for the computation of the semi-annual interest on thrift or savings accounts.

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Gateway to business  
in Indiana —

## THE INDIANA NATIONAL BANK OF INDIANAPOLIS

### Condensed Statement of Condition at Close of Business December 31, 1952

#### Resources

Cash on Hand and on Deposit with Federal Reserve and Other Banks	\$124,561,621.74	\$291,574,414.52
U. S. Government Securities	167,012,792.78	
Other Bonds and Securities		26,528,019.37
Stock in the Federal Reserve Bank		645,000.00
Loans and Discounts		88,631,507.91
Bank Buildings		2,000,000.00
Accrued Interest Receivable		933,664.76
Customers' Liability under Letters of Credit		599,037.38
Other Resources		286,332.97
		<u>\$411,197,976.91</u>

#### Liabilities

Capital	\$ 6,500,000.00	\$ 27,576,478.29
Surplus	15,000,000.00	
Undivided Profits	6,076,478.29	
Accrued Interest, Taxes and Other Expenses		1,774,585.36
Dividend Payable January 2, 1953		227,500.00
Deposits		380,358,664.94
Unearned Discount		575,513.95
Letters of Credit Issued		599,037.38
Other Liabilities		86,196.99
		<u>\$411,197,976.91</u>

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In addition to offering long-term marketable Treasury bonds as market conditions permit, it seems highly probable that Mr. Burgess will reinvigorate the Treasury's Savings Bond program. Back in 1951 he told the Graduate School: "The stage has not yet been set for an effective savings campaign; but it must be done. The necessary preliminaries are a clear-cut and convincing anti-inflation program, a more attractive Savings Bond, and a vigorous campaign."

Since then, Savings Bonds have been dressed up a bit but aggressive merchandising has been lacking. It remains to be seen whether Mr. Burgess will be content to merchandise the present Savings Bond package, or whether he will feel that the offerings should again be revamped to make them more appealing.

An immediate problem is what the Treasury should do about the \$1-billion of series F and G bonds maturing this year. The *National City Bank Letter* contends that Savings Bonds of this type have "much the same character as deposits withdrawable on demand." It observes that "it is possible that the F and G bonds can be supplanted with marketable bonds freeing the Treasury from obligation to redeem in advance of maturity."

The new objectives of debt management appear, therefore, to be fairly clear. It is not to be expected, however, that the Treasury will move precipitously. Although by no means lacking in courage, Mr. Burgess is an intelligent operator and is fully aware of the delicate complexities of the money markets.

### CREDIT POLICIES

A great majority of economists would agree (*mirabile dictu!*) that one of the most inflationary factors in our postwar economy was the Treasury's reluctance to permit interest rates to rise. They would further agree (*mirabilissime dictu!*) that the efforts of the Treasury to dictate Federal Reserve policy constituted a serious threat to the whole concept of monetary management.

Mr. Burgess has long been known as a staunch advocate of "independence" for the Federal Reserve System. He believes strongly that "a vigorous and flexible Federal Reserve policy" can make a vital contribution

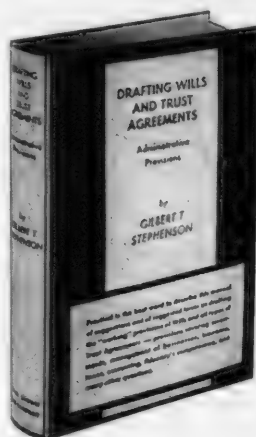
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Columbia Law Review*

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to sound and stable money. "The Reserve System is the best instrument thus far devised for influencing economic events toward stability and away from inflation and deflation."

It may be confidently recorded, therefore, that his arrival in Washington signalizes a real armistice in the cold war between the Treasury and the Federal Reserve System. The conflict between these two agencies which has erupted from time to time in recent years will be replaced by mutual understanding and close co-operation.

This means that the Reserve Sys-

tem will enjoy greater freedom in formulating its monetary policies. The so-called "accord" of 1951 between the Federal Reserve and the Treasury did not do much more than establish a rather uneasy truce, and the Reserve authorities have exercised considerable caution in developing their more flexible credit policy. From now on, they can proceed more boldly, confident that their actions will be regarded sympathetically by the Treasury.

One of the practical implications from the standpoint of bankers is that the Reserve System will prob-

ably become even more aloof from the Government securities market, even during Treasury financings. As a result, bond prices and interest rates may fluctuate more freely and over a somewhat broader range. More specifically, if inflationary pressures should be renewed, the Treasury will be less concerned about maintaining "stable" prices in the Government bond market than it has been in the past.

By the same token, the rediscount rate may become a more flexible instrument of credit policy. It is the philosophy of the new Treasury officials that interest rates should be "flexible enough to reflect the market forces of demand for savings and their supply."

It would be a mistake to assume, however, that we are necessarily headed for a period of high interest rates. Except when inflation threatens, the Treasury will still wish to do its borrowing at reasonable rates. Also, to quote Mr. Burgess, "the central banking system, in working for the public interest, must inevitably consider the needs of the Treasury as a major factor in its decisions." Finally, he also believes that "even modest changes in interest rates and ease of money may be surprisingly effective."

Some persons are wondering whether the conservative financial policies of the new Administration may bring on, or perhaps intensify, a business recession. For many years we have witnessed a prolonged boom which has been stimulated by repeated doses of inflation. The aim of the Eisenhower Administration is to maintain prosperity but without further inflation. Can such a shift of policy be accomplished without starting a deflationary reaction?

That is a question which no one, of course, can answer with certainty. But this much can be said: All of the new policymakers are shrewd and realistic. They are in no hurry. They are clear but not doctrinaire in their thinking. They can be relied upon to proceed cautiously. And it should also be remembered that it is one thing to criticize from the outside, and quite another to have the responsibility for making the policy decisions.

In short, actual changes will probably be gradual. In Mr. Humphrey's words, "the important point is that there has been a fundamental change in objectives."



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—Statement of Condition, December 31, 1952—

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Cash and Due from Banks . . . . .	\$163,624,020.89
U. S. Government Securities . . . . .	138,424,064.54
Loans and Discounts . . . . .	198,615,249.30
Loans Wholly or Partially Guaranteed by U. S. Government . . . . .	59,370,128.52
Other Bonds and Stocks . . . . .	20,355,136.74
Stock in Federal Reserve Bank . . . . .	900,000.00
Banking House, Improvements, Furniture and Fixtures . . . . .	1,658,095.55
Customers' Liability, Letters of Credit, Acceptances, etc. . . . .	1,081,488.99
Accrued Interest Receivable . . . . .	1,364,820.45
Other Resources . . . . .	8,458.03
	<u>\$585,401,463.01</u>

## LIABILITIES

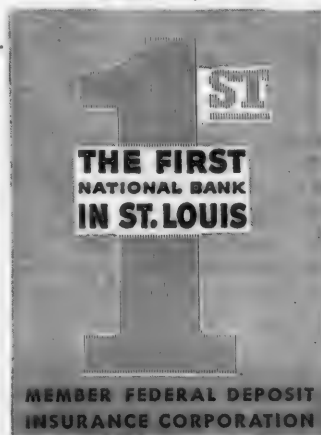
Capital Stock . . . . .	\$ 14,000,000.00	
Surplus . . . . .	16,000,000.00	
Undivided Profits . . . . .	7,099,033.04	37,099,033.04
Dividend Declared . . . . .		350,000.00
Reserve for Taxes, Interest, etc. . . . .		3,846,742.69
Unearned Discount . . . . .		927,460.26
Liability, Letters of Credit, Acceptances, etc. . . . .		1,116,501.99
Demand Deposits . . . . .	463,117,548.01	
Time Deposits . . . . .	58,196,823.28	
U. S. Government Deposits . . . . .	20,747,353.74	
Total Deposits . . . . .		<u>542,061,725.03</u>
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# Guides to Annoying Expressions

## How To Keep Your Conversation From Becoming "Peachy"

DONALD A. LAIRD

**T**HE average person is not annoyed when someone says "as luck would have it." But when it becomes a pet phrase, listen:

I was in front of the movie, as luck would have it, when a limousine drove up with a police escort. I was right there when the Hollywood star stepped out, and, as luck would have it, I was right beside her when the newsmen took pictures. Of course, my girl friend saw the picture, as luck would have it, and now she won't speak to me.

That could have been an interesting incident for conversation. But the overworked pet phrase ruined it to the point of weary annoyance.

Once you listen for them, you will be astonished how many folks use pet expressions. Here are some I overheard repeated several times while leisurely eating a banana split:

"Get what I mean?"  
"I want to know."  
"Oddly enough."  
"Beyond peradventure of a doubt."  
"On the other hand."  
"Methinks." (*Must have been reading Shakespeare.*)  
"Then he says . . ."  
"Up to my ears."  
"See?"  
"Old stuff."

### Overuse Offends

Most of those phrases would not annoy if they were used just once. When they are repeated before the echo has died down, then they begin to stick out like a sore thumb.

Here is the guide-rule good conversationalists use about pet phrases: *Use a favorite expression only once in any conversation.*

Pointless questions are an annoying variety of loco talk. They are often used for starting a conversation, and they commonly get a loco answer—a feed back of the craziness.

Sales trainers advise retail clerks to avoid pointless openings. The better sales people have been drilled to open with friendly greetings, such as

"Good morning," or "I should like to help you."

### Avoiding Bear Traps

Here are two guides good conversationalists follow to avoid the bear trap of pointless questions:

(1) *Use a sensible standardized greeting* that will not touch off a loco streak in others. Just a "Hello," for example, or "It's nice to see you." Concentrating on a sensible starter will help kill off silly rejoinders.

(2) When the other person springs a pointless question, dodge it. *Simply ignore pointless questions*, and give your standard sensible greeting in response. Or answer with a pointed question, such as, "Did you read about the new guided missile in this morning's paper?"

Snappy comebacks are ready-made expressions which are supposed to be so devastating they leave the other fellow out on a limb. The unthinking talker uses such comebacks as:

"Sez who!"  
"Oh, yeah!"  
"Wouldn't kid me, would you?"  
"Look who's talking."  
"Isn't that something."  
"You, and who else?"  
"So's your Aunt Effie."  
"So what."  
"Nuts!"  
"That's what you think."

This is another kind of loco talk, the sort that belittles and hurts others.

Perhaps you occasionally use such an expression, intending it to be lighthearted. The other person is not likely to take it that way, however, and it is safer to use the same guides for the snappy comeback as recommended for pointless questions.

Good conversation is good-natured, but that does not mean clownishness or second-rate wisecracks. Genuine wit helps talk along, but unless one is as clever as a top comedian, trying to be witty may sound plain foolish.

Even real wit is dangerous, since the repartee may humiliate the per-

son on the receiving end. *If you are actually witty, make certain you are also kindly with it.*

There are three varieties of bafflegab, which keep people guessing about what you have in mind—if anything. One variety consists of big words. Sometimes big words are used by people who know too much to be good for conversation. But in many instances big words are favored as a way of strutting.

The second variety of bafflegab consists of fuzzy words which have a vague meaning. Words may be simple, but used in a fuzzy way.

The usual cause of fuzziness, however, comes from the use of words which may mean anything in general and nothing in particular. Some fuzzy words are:

lovely	very
whoosis	gadget
great	wonderful
and soforth	what-cha-ma-call-it
gorgeous	peachy

They are seemingly descriptive words, but they don't describe.

A third variety of bafflegab is about-itis, when a talker makes a running jump and guesses vaguely at some fact. About-itis causes arguments as well as annoyance. Listen:

"How far is it to the post office?"  
"About three blocks that way."

After walking 10 blocks before seeing the post office, he could have murdered his misinformant.

### Without Fuzzy Guesswork

Good conversationalists state facts accurately, without fuzzy guesswork. Give your preference to plain words that are clearly descriptive, and let him who doesn't mind being annoying go in for the fancy talk and guesstimates.

Most of us probably know all the words we need, and have enough observations to be satisfying conversationalists. We merely need to steer away from pet phrases, pointless questions, snappy comebacks, tomfoolery, and bafflegab.

# He Asked Permission to Stay

*Major William E. Barber, USMC*

*Medal of Honor*



IT WAS DURING the Chosin Reservoir withdrawal. Eight thousand weary marines lay besieged at Yudam-ni; three thousand more were at Hagaru-ri, preparing a breakthrough to the sea. Guarding a frozen mountain pass between them, Major Barber, with only a company, held their fate in his hands. Encirclement threatened him; he was ordered to withdraw. But he asked permission to stay, and for five zero-cold days the company held the pass against attack. The Major, badly wounded, was carried about on a stretcher to direct defense. When relief came, only eighty-four men could walk away. But Major Barber's action had been decisive in saving a division.

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# New Books

**THE EVALUATION OF RECEIVABLES AND INVENTORIES AS AN INTEGRAL PHASE OF CREDIT ANALYSIS.** By EDWARD F. GEE. Bankers Publishing Company, Cambridge, Massachusetts. 225 pp. \$5. Mr. Gee, vice-president of State-Planters Bank & Trust Company, Richmond, Virginia, seeks to establish "the importance of receivables and inventories in credit analysis" and to "advance and promote an understanding of the evaluation of these two primary assets." He discusses credit analysis, balance sheet analysis, receivables and inventories in the balance sheet, the analysis of receivables, ratio-aging receivables to sales, bad debt losses and reserves, a quality ration for accounts receivable, trade notes and acceptances receivable; analysis and valuation of inventories, and special inventory methods.

**SOME OBSERVATIONS ON EXECUTIVE RETIREMENT.** By HAROLD R. HALL. Harvard School of Business, Boston. 290 pp. \$3.75. Mr. Hall, professor of research in business administration at the Harvard school, based this study largely on interviews with business administrators and retired executives, including bankers. His book deals not with the arithmetic of retirement plans, but rather with the problems that face management and individuals in relation to executive retirement. It discusses the question of retirement age, attitudes of executives before and after retirement, suggestions offered by retirees for the benefit of their companies and those contemplating retirement, financial preparation, some actual retirement programs and experiences, the wife's views and responsibilities, the question of where to live, and some economic and social consequences of retirement.

**CONFERENCE ON RESEARCH IN BUSINESS FINANCE.** National Bureau of Economic Research, Inc., New York. 334 pp. \$5. Proceedings of a conference held at Haverford College in which more than two dozen leading American economists participated.

**BASIC RULES OF ORDER.** By THOMAS H. ELIOT. Harcourt, Brace, New

York, 171 pp. \$2. A manual for the conduct of meetings.

**PRACTICAL PUBLIC RELATIONS.** By REX F. HARLOW and MARVIN M. BLACK. Harper, New York. 407 pp. \$5. A new and revised edition of a manual for practitioners and students of the subject.

**MATHEMATICS OF FINANCE.** By LLOYD L. SMAIL. McGraw-Hill, New York. 278 pp. \$4.50. A text for college classes in business administration or commerce, by the professor of mathematics at Lehigh University. Subjects covered include: simple and compound interest, annuities, depreciation and valuation of bonds, application of annuities to amortization and sinking funds, and an introduction to life annuities and insurance.

**EXECUTIVE DEVELOPMENT.** By JOHN W. RIEGEL. University of Michigan Press, Ann Arbor. 364 pp. \$6. The experience of 50 leading companies is surveyed. A purpose of the book is to outline the scope of "a fairly comprehensive program of executive development, to suggest a philosophy for it, and to outline means for carrying it on."

**THE PLANT ACCOUNTING REGULATIONS OF THE FEDERAL POWER COMMISSION.** By Sidney Davidson. University of Michigan Press, Ann Arbor. 264 pp. \$6. The second edition of an expository book that assumes the reader is familiar with accounting, although some elementary concepts and principles are discussed.

**FINANCIAL STATEMENT ANALYSIS.** By John N. Myer. Prentice-Hall, New York. 264 pp. \$6. The second edition of an expository book that assumes the reader is familiar with accounting, although some elementary concepts and principles are discussed.

**ECONOMIC WARFARE.** By Yuan-li Wu. Prentice-Hall, New York. 388 pp. \$6. Mr. Wu, research economist, Stanford Research Institute, emphasizes the close relationship between international economic warfare and the many aspects of economic nationalism. He offers some conclusions on present American foreign policy.



# MELLON NATIONAL BANK AND TRUST COMPANY PITTSBURGH

*Statement of Condition December 31, 1952*

## RESOURCES

Cash and Due from Banks . . . . .	\$ 445,496,582.20
U. S. Government Securities . . . . .	558,096,889.35
Other Public Securities . . . . .	103,932,809.66
Other Securities . . . . .	90,756,558.21
Loans and Discounts . . . . .	668,141,619.07
Bank Buildings and Equipment . . . . .	22,493,132.55
Other Resources . . . . .	5,572,377.29
	<u>\$1,894,489,968.33</u>

## LIABILITIES

Capital . . . . .	\$ 60,100,000.00
Surplus . . . . .	150,000,000.00
Undivided Profits . . . . .	11,228,121.64
Due Depositors . . . . .	1,659,561,132.14
Reserves—Taxes and Expenses . . . . .	9,440,407.89
Other Liabilities . . . . .	4,160,306.66
	<u>\$1,894,489,968.33</u>

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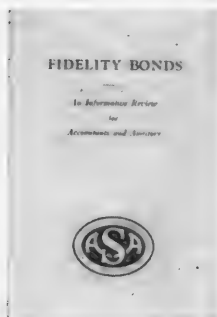
United States Government securities carried at \$210,267,940.44 are pledged to secure \$188,689,633.84 deposits of public monies and for other purposes, as required by law. Bank Buildings and Equipment include advances for construction of new building.

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# Business Aids

Home Planners' Libraries • New Products • Operations • Industrial

**E**ACH month this column will list recent acquisitions including manufacturers' literature and other special announcements of interest to our readers—though no statement made should be regarded as a product endorsement.

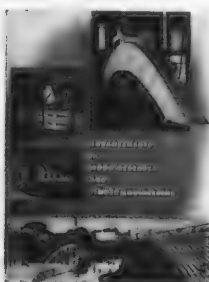


**FIDELITY BONDS**—An informative review for accountants and auditors. An 18-page booklet detailing the various forms of fidelity bonds available to commercial enterprises and financial institutions. It points up the relationship that should exist between fidelity bond coverage and the extent of detailed tests by the independent public accountant of a client's records. It is an up-

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**TIPS TO TYPISTS**—a little handbook of 24-pages—is a helpful supplement to the operating manual of any machine. It talks about the care and handling of supplies, and the little tricks, gimmicks and bugaboos which a steno finds handy to remember or avoid. And, for the extraspecial typing tasks, there's a catalog of ideas to simplify the operations with speed and ease. In the center spread Norman Saksvig, a former professional typing champion, illustrates correct typing techniques and postures. Copies of the book may be obtained through *L. C. Smith & Corona Typewriters Inc.*, Syracuse 1, New York.



**ADVANCEMENTS IN WOOD RESEARCH AND TIMBER ENGINEERING.** Wood products valued in the millions have benefited from the research conducted by Timber Engineering Company, an affiliate of the National Lumber Manufacturers Association. The comprehensive story of these widely used products is told in a new picture-packed 32-page booklet.

This organization projects a 10-point research program aimed at new markets and the increased use of forest resources. A free copy may be obtained on request to *Timber Engineering Company*, 1319 18th Street, N. W., Washington 6, D. C.



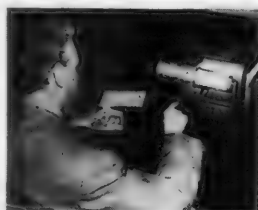
An official **SOIL CONSERVATION CALENDER** for 1953 has been prepared by the Advisory Council of the Farm Equipment Institute in cooperation with the National Association of Soil Conservation Districts, the Soil Conservation Service of

the United States Department of Agriculture, Soil Conservation Society of America, and the National Retail Farm Equipment Association. It is a 9 x 13-inch unit containing the calendar pad in full color with illustrated special dates, and a second pad at the top offering some 15 pages of pertinent information on soil conservation practices. For a sample copy address *Bon D. Grussing, chairman, Advisory Council of the Farm Equipment Institute, Box 1050, Minneapolis 1, Minnesota*.



**A PRACTICAL MANUAL OF PROTECTION EQUIPMENT** is a profusely illustrated 40-page booklet of helpful suggestions on the selection and maintenance of vaults, doors, drive-in windows, depositories, safes, and chests. It has been published in the interest of the entire safe industry, and especially for custodians and other users of safe equipment. The presentation is nontechnical. Still, it tells the reader the do's and don't's of

how to keep his equipment in first-rate running order. For a copy, address the *Herring-Hall-Marvin Safe Co.*, Hamilton, Ohio.



**INTRAFAX**, Western Union's new, private facsimile telegraph, leased to customers for use within their own organizations, is a device which instantly speeds intra-company communications in picture form. Letters, orders, requisitions,

drawings, bank items—all kinds of documents—may be transmitted at lightning speed and reproduced in exact facsimile at destination. An electro-sensitive recording paper used in the machine requires no special processing before or after transmission. The sender simply places his communication on a metal drum and pushes a button. The machine does the rest automatically by rotating the material before an electric eye which flashes an exact picture to the distant receiving machine. For further information on its application to banking, write *Western Union, Headquarters Office, New York City*.

# Remington Rand Methods News

## 2 Profitable extra uses for account address stencils

One bank reports that they have replaced all their unit desk cross file guides with a new type on which the visible indexing insert, Remington Rand Tip Top Left and Right Guides, is a direct print from the account's address stencil. This one simple and obvious aid, which they had not previously used, prevents the potential errors in typing the guide insert. With this system, check filing is speeded and nearly all normal misrouting eliminated because of the clear indexing. To find out more about this and other applications for Tip Top Guides, ask for free folder **LB 385**.

Want to get faster access to customer facts? Install a Remington Rand Kardex-Chainindex record. The entries on this centralized system are printed from your address plates on the interlocking Chainindex cards. These are snapped into place in the appropriate Kardex pockets or removed just as readily. The record is always up to the minute. Kardex-Chainindex is 30 to 60% faster than conventional files because of visible reference to individual customer card pockets and compact arrangement of complete information within. For full information on this new plan for customer information files, ask to see Management Controller **MC-1731.1**.

## Electri-conomy saves time, work, money in bank correspondence and reports

A prominent Midwestern bank has recently installed Remington Electric-conomy typewriters for multiple copy letters and reports. With these latest Remington electric typewriters, letters have a uniform, easy-to-read appearance. What's more, a dozen good carbon copies are no greater problem than one. Discover how this bank's findings can help solve your typing problems. Ask for free insert **RE-8528**.



## BANK FINDS DUAL FILM-A-RECORD WIDENS MICROFILM APPLICATIONS

This large Midwestern bank has used microfilm for listing checks for many years. Recently, they installed 10 Remington Rand Dual Film-a-records. Now they not only get fast transcribing of checks and other small sized documents, but with Dual's exclusive 15" wide feeding throat, they get fast and efficient microfilming of their largest sized documents such as ledger cards, mortgages and wills. For full details on the speed, economy and versatility of Dual Film-a-record, see booklet **F-264**.



## Figure work goes faster with the new all-purpose printing calculator

Figure work is the heart of all financial operations—computations of interest on real estate loans, market values of securities, interest earned on estimated reserves, account analyses, as well as departmental and account distribution, listing deposit slips and checks and dozens of others. The Remington Rand all-purpose *Printing Calculator* was designed to meet these needs. This versatile figuring machine solves every problem and gives you recorded proof of accuracy on the

printed tape. The balanced performance of the *Printing Calculator* assures you of top figuring speed. Short-cut Multiplication and automatic division are combined with high-speed listing, adding and subtracting and every step of every computing problem is *printed*. Only with the 10-key keyboard can you enter each number with the same ease and speed as any other number — only the *Printing Calculator* gives you operation completely by touch. You'll find full details on this Remington Rand development in free folder **AC 540**.

## Remington Rand

Management Controls Reference Library  
Room 1706, 315 Fourth Ave., N. Y. 10

Please circle literature desired:

**LB-385 MC-1731.1 RE-8528**

**F-264 AC-540**

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

# Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

## Condensed Statement of Condition December 31, 1952

(Figures of Overseas Branches are as of December 24, 1952)

### RESOURCES

Cash in Vault and in Banks . . . . .	\$1,473,880,867.24
United States Government Securities and Securities Guaranteed by the Government . . . . .	1,564,319,091.38
Federal Agency Securities . . . . .	191,956,285.64
State, County, and Municipal Securities . . . . .	534,179,714.05
Other Securities . . . . .	123,397,684.41
Loans Guaranteed or Insured by the United States Government or its Agencies . . . . .	961,842,939.63
Other Loans and Discounts . . . . .	3,107,307,531.84
Bank Premises, Fixtures, etc. . . . .	58,670,207.45
Customers' Liability on Letters of Credit, etc. . . . .	147,868,602.49
Accrued Interest and Other Resources . . . . .	38,266,444.75

**TOTAL RESOURCES . . . . . \$8,201,689,368.88**

### LIABILITIES

Capital . . . . .	\$150,000,000.00
Surplus . . . . .	175,000,000.00
Undivided Profits and Reserves . . . . .	99,302,145.68

**TOTAL CAPITAL FUNDS . . . . . \$424,302,145.68**

Reserve for Possible Loan Losses . . . . . 51,423,848.87

**DEPOSITS** { Demand . . . . . \$4,040,208,772.98 } 7,485,116,183.87  
 { Savings and Time . . . . . 3,444,907,410.89 }

Liability for Letters of Credit, etc. . . . . 152,324,365.61

Reserve for Interest, Taxes, etc. . . . . 88,522,824.85

**TOTAL LIABILITIES . . . . . \$8,201,689,368.88**

Main Offices in the two Reserve Cities of California

**SAN FRANCISCO • LOS ANGELES**

Branches throughout California

Overseas branches: London, Manila, Tokyo,

Yokohama, Kobe, Osaka, Bangkok, Guam

Member Federal Deposit Insurance Corporation • Member Federal Reserve System

## Bank of America

(International)

Home Office—New York, N. Y.

A wholly-owned subsidiary

## Condensed Statement of Condition December 31, 1952

### RESOURCES

Cash in Vault and in Banks . . . . .	\$19,303,188.61
United States Government Obligations . . . . .	16,344,332.29
Loans and Discounts . . . . .	20,861,207.11
Customers' Liability on Letters of Credit, etc. . . . .	41,730,833.68
Accrued Interest and Other Resources . . . . .	302,893.38

**TOTAL RESOURCES . . . . . \$98,542,455.07**

### LIABILITIES

Capital . . . . .	\$10,000,000.00
Surplus . . . . .	3,000,000.00
Undivided Profits . . . . .	185,553.81

**TOTAL CAPITAL FUNDS . . . . . \$13,185,553.81**

Reserve for Possible Loan Losses . . . . . 300,000.00

Deposits . . . . . 42,781,432.06

Liability for Letters of Credit, etc. . . . . 41,819,689.52

Reserve for Interest, Taxes, etc. . . . . 455,779.68

**TOTAL LIABILITIES . . . . . \$98,542,455.07**

**COMBINED RESOURCES OVER  
\$8,300,000,000**



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# The OUTLOOK and Condition of Business

(CONTINUED FROM PAGE 32)

as distinct from aid-stimulated sales—is uncertain, with trends in the last half of 1952 pointing to a further decline.

The volume of money in circulation—currency and coin in the public's pockets and cash in bank vaults and merchants' tills—reached a new peak last year.

## Foreign Highlights

The integration of Western Europe, a cardinal aim of United States policy, made one notable advance in 1952 and some theoretical gains, but suffered important failures. An important advance was the ratification of the Schuman plan for a single market for coal and steel composed of six countries—France, West Germany, Belgium, the Netherlands, and Luxembourg.

Europe is showing signs of an upturn after the halt in her economic recovery. However, industrial production is short of the goal. 1952 has been viewed as a period of needed readjustment, with inflationary pressure relieved.

The United States aid pattern is shifting to trade. The new Administration is likely to emphasize the trend toward fewer grants.

The outlook is not too good for all who believe the free world's prosperity depends on steady expansion of international trade or for businessmen who must export and import in the face of a constantly changing web of restrictions and unstable conditions generally.

South America is threatened with internal inflation as world prices fall. Continued and expanding cooperation with the United States was an item on the right side of the ledger, and general inflation and money troubles were items on the other side.

Development in Canada since World War II reached a new peak in 1952. Gross national product ran at an annual rate of more than \$23-billion, the highest in the history of the country. Consumer and capital expenditures were some 10 percent above the level of the previous year, and although foreign trade showed signs of leveling off during the closing months of 1952, sales abroad were higher than ever before.

In Mexico industrialization has been in full swing for the last decade, and 1952 was another intensive year. Industry, which occupies less than a third of the working population, produced two-thirds of the national income.

Central America is advancing toward greater prosperity since the prices of both coffee and bananas remained high and the demand constant in 1952.

Brazil has plans for economic development requiring expenditure of a half billion dollars. United States and Brazilian experts have completed drafts for 19 high-priority projects.

WILLIAM R. KUHN

## The Year Ahead

### CONFIDENCE

James D. Robinson, Jr., chairman,  
The First National Bank of Atlanta

As we enter 1953, it is felt that business concerns, banks and individuals may look forward with a great deal more confidence and enthusiasm than for some years.

We should not, of course, expect immediate solution of all existing uncertainties, or quickly decreased government budgets and taxes. But we strongly believe that the establishing of a constructive program by the new Administration will lead to a gradual decrease in Government expenditures, deficit financing and taxes—and what is of the greatest importance to us all—a more stable dollar.

Certainly the appointment to high and important Government posts of men of recognized soundness, ability and unquestionable integrity—and the Administration's policies so far announced or evident—afford justifiable hope for the revival and pres-

ervation of our American system of free enterprise.

### SOUND PRINCIPLES

Walter S. McLucas, chairman, and  
Charles T. Fisher, Jr., president, National Bank of Detroit

In November, the American people . . . elected a new national Administration, whose general philosophy of government, by all indications, is different from that which prevailed during the last two decades. The new Administration—arriving at a time when the domestic economy is operating at about the highest rate ever experienced, and when international affairs are in a stage of mounting tensions—faces problems of the greatest magnitude. Fortunately, there is a good basis to expect that these problems will be met with increased reliance on the sound principles of integrity in government, respect for fundamental constitutional rights, economy in

governmental expenditures, equitable and non-oppressive taxation, and farsighted realism in the shaping of foreign policy.

### DEBT REDUCTION

Kanabec State Bank, Mora, Minnesota, Frank P. Powers, president.

THE drop in the prices of farm products should be a warning to all of us—now is the time for each of us to analyze our financial position to determine whether our individual situation is such that we need not fear a period of receding prices. Up to now, most of us have felt that adjustments in our financial pattern were necessary—that prices should stay at a high level and that the extent of our obligations was not serious. It would now seem that it is the duty of everyone to reduce rather than increase indebtedness. Remember—a definite debt reduction program is wise in any type of economy.

## Progressive farming is your best collateral



■ Working collateral—the modern machine on the modern farm—represents one of the best investment sources for bank funds. And because farm mechanization is growing rapidly, the need for farm equipment financing is increasing day by day.

Bankers have been instrumental in putting labor-saving farm machines in the hands of the farmer. Not only have your farm equipment loans benefited the individual farmer, but the whole community lives better when tools like these are at work.

So, in addition to being a sound investment for your bank's funds, farm equipment loans also provide you with the satisfaction that comes with helping to bring progress and better living to your community.

See your local IH dealer today for details concerning this profitable and productive way of investing your bank's funds.



# INTERNATIONAL



# HARVESTER





# INSTANTLY ACCEPTED... WITH NO QUESTIONS ASKED!



**"Signal says tourists coming—don't take  
any cheques but American Express Travelers Cheques."**

Honest Injun — American Express Travelers Cheques are *easier to cash*, in more places, than any other travelers cheques.

Heap good reason, too! More than 60 years of service, backed by vigorous national advertising and promotion, have made American Express Travelers Cheques the *best-known* cheques by far... instantly recognized and accepted in a million places.

In travelers cheques, that difference in

*acceptability* is the *big difference*—the wide margin that separates the *best* from "almost as good" for your customers.

When you think how much your bank spends to get a new customer—how much you invest in advertising—can you run the risk of embarrassing him? Give your customers *top value for their purchase price* with American Express Travelers Cheques—the best travelers cheque service in the whole wide world!

## AMERICAN EXPRESS TRAVELERS CHEQUES

***Safety plus Service no other cheques can offer!***



